ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

SCHOOL OF BUSINESS

DEPARTMENT OF GENERAL MANAGEMENT OF BUSINESS ADMINISTRATION

ASSESSMENT FACTORS INFLUENCING CUSTOMER SATISFACTION: IN THE CASE OF ETIHOCHICKEN PLC

BY: Million Berhane (ID No. SGS/0511/2009A)

Advisor: **Zemenu Aynadis (Ass. prof)**

May 2019

Addis Ababa, Ethiopia

ASSESSMENT OF FACTORS INFLUENCING CUSTOMER SATISFACTION IN THE CASE OF ETIHOCHICKEN P.L.C

BY

MILLION BERHANE

A thesis submitted to St. Mary University School of Graduates studies Partial Fulfillment of the requirements for the Degree of Master of business administration

May 2019

Addis Ababa, Ethiopia

I

STMARY'S UNIVERSITY SCHOOL

OF GRADUATE STUDIES SCHOOL

OF BUSSINES

ASSESSMENT OF FACTORS INFLUENCING CUSTOMER

SATISFACTION IN THE CASE OF ETIHOCHICKEN P.L.C

BY

MILLION BERHANE

APPROVED BY BOARD OF EXAMINERS

----------------------------------   ----------------------

Dean, school of Business   Signature

--------------------------------   -------------------------

Advisor   Signature

----------------------------   -----------------------

External Examiner   Signature

-------------------------------   -------------------

Internal   Signature

ACKNOWLEDGEMENTS

DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the thesis have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisor and his comments have been also duly incorporated.

Name: Million Berhane

Signature: _____

Date: _____

Confirmed by (Advisor): Name: Zemenu Aynadis (Assistant professor)

Signature: _____

Date: _____

ACRONYMS

SERVQUAL   Service Quality

STATA   Statistics/Data Analysis

P.L.C   Private Limited Company

ABSTRACT

The objective of the study was to examine the key factors that influence customer satisfaction with a case study of Ethiochicken P.L.C customers. In this paper both Quantitative and Qualitative research strategies were applied and the research design that was employed for this study was causal. The study used stratified purposive sampling technique and the strata were the towns where the customer are located. A total of 173 respondents filled the questionnaires which included the five service quality dimensions, customer relation, price fairness and product quality questions. Besides, the study employed interview with the company marketing and sales director about the current practice of the company on customer satisfaction. Correlation and multiple linear regression coefficients were used, and eight independent variables were identified (product quality, customer relation, price fairness, service quality responsiveness, service quality reliability, service quality empathy, service quality assurance and service quality tangibility). Descriptive statics frequency, mean and percentage were used to summaries the respondents response and to describe the population response. The finding of the study ensured that customer relation, product quality, price fairness, service quality responsiveness and service quality reliability had significant relationship with customer satisfaction, and this factors significantly influence customer satisfaction. It has been recommended that the company shall focus on these factors to improve customer satisfaction and increase its market share.

Keywords: Ethiochicken, customer satisfaction, price fairness, product quality, customer relation, service quality responsiveness and service quality reliability.

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE
INTRODUCTION

1.1.   Background of the study

This day's organizations continuously strive to increase their customer base. Companies provide products and services to fulfill different needs of the customers. The focus is now moving from short-term satisfaction to long-term relationship between the firm and its customers finding new customers is important for a business, but equally important is keeping the old customers as many researchers found that focus on customer retention has resulted in economic benefits (Grönroos, 2000).

Customer satisfaction is how customers view an organization's products or services in light of their experiences with that organization or product, as well as by comparison with what they have heard or seen about other companies or organizations (Paul .2005).

In today's competitive climate, it is often not enough to match performance and expectation. In this regard, Kotler (2002) pointed out that many companies aim for high satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along. Those who are highly satisfied are much less ready to switch.

High satisfaction or delight creates an emotional bond with the brand, not just a rational preference; the result is high customer loyalty.

To further strengthen the Kotler view of exceeding customer expectation Jobber (2001) stated that expectations needs to be exceeded for commercial success so that customers are delighted with the outcome. The above three authors seem to have a 16 similar view on customer satisfaction.

Hill and Alexander (2003) define customer satisfaction as a measure of how well organization's total products perform in relation to a set of customer requirements. Of course, customers' view of organization performance will be a perception, customer satisfaction is in the customer mind and it may or may not confirm with the reality of the situation. A more general definition of customer's satisfaction is given by Kotler (2003); he explains satisfaction as function of perceived performance and expectations. If performances fall short of expectation the customer is dissatisfied. If performance matches expectation,

the customer is satisfied; while performance exceeds expectation, the customer is highly satisfied or delighted.

According to Bowen and Chen (2001) reports that it is becoming evident that companies have to modify fundamentally the way in which marketing is done and a shift from managing a big pool of clients to managing a specific customer base. This modification includes establishing, maintaining and enhancing relationships for the sake of building up long-term relationships with customers so that the economic goals are achieved. This effort is also to answer the fact that it has been the practice by companies to devote greater attention and Marketing effort to attracting new customers rather than retaining existing ones (Kotler, 2000).

According to Kohli and Jaworski, (1990) customer satisfaction is thought about the essence of success in today's highly competitive world of business. Thus, the significance of customer satisfaction and retention in strategy formulation for a ``market oriented'' and ``customer focused'' firm cannot be undervalued. Consequently, customer satisfaction is all the time more changing into a company goal as a progressively more firms attempt for quality in their product and services.

According to Posselt and Eitan (2005), improved customer satisfaction will lead to improved customer loyalty, which will improve profit. In order to satisfy our customers, we have to work on effective customer services to meet their needs.

The acceptance of the marketing concept and its consumer orientation brought the need to investigate fully human behavior especially consumer satisfaction (Kotler, 2000). According to Singh (2006), one of the fundamentally important drivers of organizational success is that companies must take the needs and wants of their customers into account.

According to Adrian H, (1995) in today's marketing environment, an increasingly important source of competitive advantage is the way we serve customers. In recent years, more and more organizations focus their attention on retaining existing customers rather than attracting new ones. According to (Kotler ,2002), attracting a new customer is five times greater than the cost to keep a current customer happy.

Since satisfied customer is the core concern of any organization therefore, they pay close attention toward the factors that influence a customer's decision towards brand. Factors affecting customer satisfaction are key concern for any organization, department or country because through customer satisfaction any

business can establish long term profitable relationship with customer. The reason behind is once a firm loses its loyal customers it has to incur a cost of acquiring them again in addition to acquiring the new ones.

Ethiochicken customers are business customers who are buying day old chicken and feed. In this study the population is Ethiochicken customers who were working as out growers of chicken and sell the grown chicken to the local farmer. The customers included in this study has worked one to four years with Ethiochicken as out growers of chicken.

1.2.   Statement of the problem

According to Hill and Alexander (2000) Customer satisfaction has become the key company goal for many organizations. Companies have invested also improving performance in area that makes a strong contribution to customer satisfaction such as product quality and customer service. Customer satisfaction can be influenced by different factors.

Maintaining Ethiochicken PLC existing customer base is even more essential than the Power to capture new customers. One of the justifications is that the cost of recruiting a new customer is far over the cost of keeping existing customers. The study by Bazan (1998) the cost of attracting a new customer from community and competitors is five times higher than maintaining an existing customer. A discontented customer can in general tell a minimum of ten persons of the poor expertise and is willing to talk regarding this to anybody who is willing to listen. Thus, customer satisfaction and loyalty are crucial to Ethiochicken PLC success. Customer satisfaction and retention may be a major contribution to sustainable profit growth. Bazan further indicated that a business will have no purpose of existing without its customers and also the money losses and loss in reputation will be destructive for it when losing customers.

Ethiochicken P.L.C is working on producing and distributing day old chicken which is live animal and as per my knowledge there are no studies done focusing on factors influencing customer satisfaction of customers buying live day old chicken and chicken feed in Ethiopia. Selling day old chicken is not the same as selling other manufactured products.

Ethiochicken P.L.C has worked 7 years in producing and distributing day old chicken but there were no any study done by the company on factors contributing to the customer satisfaction and dissatisfaction.

It is in recognition of the importance of consumer satisfaction in marketing that this study was conducted to help Ehiochicken PLC and other Ethiopian poultry companies in identifying the factors influencing customer satisfaction which goes a long way in retaining existing customers and attracting more customers necessary for companies to remain competitive in the environment.

From the literature reviewed by the researcher there are no studies focusing on the factors influencing consumer satisfaction of customers of Ethiopian poultry companies which this study is designed to accomplish. Specifically regarding the study area, the company is keeping growing in terms of capacity, human resource, and geographic coverage since its inception in 2010. Identifying the factors which are causing customer satisfaction and dissatisfaction have been over looked as the company is continuously striving to get high production with less attention to the what the customers feel about the service and the product being provided.

Therefore, this study attempts to fill this gap by identifying the factors influencing customer satisfaction in the company and which factor determine more on customer satisfaction.
The study will be of immense benefit to Ethiopian poultry companies; as it significantly contributed to the better understanding of those major factors that are unique to the poultry industry and anticipate customer needs and respond to them accordingly.

1.3.   Research Questions

This research paper will try to answer the following questions.

- Service quality dimensions tangibility, responsiveness, reliability, assurance and empathy has significant impact on customer satisfaction?

- Dose customer relation has significant impact on customer satisfaction?

- Dose product quality has significant impact on customer satisfaction?
- Dose price fairness has significant impact on customer satisfaction?
- Which variables are most determinant factor that affect customer satisfaction?

1.4. Objectives

1.4.1. General objective

The general objective of this study is to identify the main factors influencing customer satisfaction in Ethiochicken PLC.

1.4.2. Specific Objectives

To achieve the general objective of the study, the following specific objectives were designed.

- To identify the most determinant factor that influence customer satisfaction.
- To examine if price fairness has significant effect on customer satisfaction.
- To examine if the five service quality dimensions tangibility, responsiveness, reliability, assurance and empathy has significant impact on customer satisfaction.
- To examine if the product quality has significant effect on customer satisfaction.
- To examine if customer relation has significant influence on customer satisfaction.

1.5. Hypothesis

This study was intended to test the following eight hypotheses.

- H1: Reliability does have significant impact on customer satisfaction.
- H2: Tangibility does have significant impact on customer satisfaction.
- H3: Responsiveness does have significant impact on customer satisfaction.
- H4: Assurance does have significant impact on customer satisfaction.
- H5: Empathy does have significant impact on customer satisfaction.
- H6: product quality does significant have impact effect on customer satisfaction.
- H7: price fairness does significant have impact effect on customer satisfaction.
- H8: developing stronger relationships with customer does have significant impact on customer satisfaction.

1.6.   Scope of the study

The study was delimited to investigate the factors influencing customer satisfaction in Ethiochicken PLC. The study focuses particularly on customers found in the selected areas Addis Ababa, Modjo, Bishoftu and Adama. The study does not include the external customers' response on the service and product they get from other companies in the business. The study does not include customer of Ethiochicken found out of the selected area. The study used casual research design to see the effect of independent variables on dependent variable. The study used eight independent variable which are product quality, customer relation, price fairness, tangibility, responsiveness, empathy, assurance and reliability as independent factors that influence customer satisfaction but there are other factors which influence customer satisfaction.

1.7.   Limitation of the study

This study only focuses on Ethiochicken PLC and didn't include other organizations. For this reason, whether the factors that influence customer satisfaction has positive effect in other similar companies in the industry. Data were collected from customers of single company (Ethiochicken PLC) in one industry in Ethiopia. This does limit the generalization of the results of the study. It would be valuable to extend the research into other companies, industries and countries to confirm the generalizability of the findings. As a result, more work is needed to be done to determine the model's generalizability across business organizations in different areas/locations.

1.8.   Significance of the study

The finding of the study may generate interest and serve as a steppingstone for further study. This study could also serve as a ground for further study in customer satisfaction in poultry industry. It may also help the company as baseline information to improve the marketing and sales practices thereby enhance customer satisfaction. Identification of the factors affecting Ethiochicken P.L.C customer satisfaction enables the company to easily set the best possible solutions to deal with the issue related with its customer satisfaction. . Lastly, it provides solution for poultry industry service and product quality problems and it may give them an idea of where they are presently in terms of their service/product quality and what they should do in the future.

1.9.   Organization of the study

The study is presented in five chapters. Chapter one is the introduction part consisting of the background of the study, problem statement, objectives, research questions, scope of the study, significance and limitation of the study. Chapter two is the review of literature and chapter three is the research methodology. Chapter four presents the results and discussions while chapter five is conclusion and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter represents a comprehensive review of relevant literature in attempts to position the study in an appropriate theoretical framework. It briefly discusses finding of related research.

1.1. Theoretical Review of Literature

Consumer satisfaction is a measure of how products and services supplied by a company meet or surpass consumer expectations. It is defined as "the number of consumers or percentage of total consumers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals" (Chauhan and Limbad, 2013). Satisfied customers are central to optimal performance and financial returns. Placing a high priority on customer satisfaction is critical to improved organizational performance in a global marketplace. Any business is likely to lose market share, customers and investors if it fails to satisfy customers as effectively and efficiently as its competitors is doing; customer satisfaction is customer"s reaction to the state of satisfaction, and customer"s judgment of satisfaction level (Anderson, Fornell, and Mazvancheryl, 2004).

Kotler (2000) also define satisfaction as a person's feelings of pleasure, excitement, delight or disappointment which results from comparing a product's perceived performance to his or her expectations. Satisfaction means the contentment one feels when one has fulfilled a desire, need or expectation. Furthermore, Customer satisfaction can be a measure of how happy customers are with the services and products of a supermarket. Keeping customers happy is of tremendous benefit to companies. Satisfied customers are more likely to stay loyal, consume more and are more likely to recommend their friends to the business.

Understanding and measuring satisfaction is a fundamental concern. Satisfaction is an extensively conventional concept regardless of real complexity in measuring and explaining typical approaches to its assessment. The most common approach is the use of general satisfaction surveys carry out every few years and proposed to path changes in due course. There are, however, a number of problems with the concept of satisfaction (Communities Scotland, 2006).

Satisfaction is not static, but changes over time; new occurrences and levels of understanding were changing the prospective levels of satisfaction that could be attained. In addition, it is expected to be complex and the effect of a combination of experiences before, during and after the point at which it is

evaluated. Satisfaction happens in social perspectives which are diverse and varying and may be irregular or indescribable to the service user. Thus, it may be hard to state the causes for satisfaction; particularly where less tangible aspects of services are being measured. However, it may be easier to state the causes for dissatisfaction, particularly if this is the exceptional condition.

Customer satisfaction is very important in today's business world as according to Deng et al., (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. Previous researchers have found that satisfaction of the customers can help the brands to build long and profitable relationships with their customers (Eshghi, Haughton and Topi, 2007). Though, it is costly to generate satisfied and loyal customers that would prove profitable in the long run for a company, a company should concentrate on the improvement of product quality and charge appropriate fair price in order to satisfy customers who would ultimately help the firm to retain its customers (Gustafsson, Johnson and Roos, 2005).

1.1.1. Customer Satisfaction

Customer satisfaction is defined as customers' needs and goals when a service is providing a pleasurable level of fulfillment and emotional response (Oliver, 1997). Customer satisfaction is an important factor to understand to satisfy customers about what they need and want. Pleasurable means that fulfillment increases pleasure or reduces displease or anxiety. Fulfillment is determined by the customers' expectations. Moreover, if the perceived service performance does not meet customer expectations, the likely result is dissatisfaction (Churchill and Surprenant, 1982).

Kotler (1996) described customer satisfaction as "the level of a person's felt state resulting from comparing a product's perceived performance or outcome in violation to his/her own expectations". So, customer satisfaction might be regard as a relative behavior among inputs beforehand and post obtainments.

The satisfaction decision is related to all the experiences made with a certain business concerning its specified services, the transactions process, and the post-sale service. Whether the customer is satisfied after acquisition also rely on the offer's outcome in relation to the customer's expectation. Customers form their expectation from past purchasing experience, friends' and associates' recommendation, and sellers' and competitors' information and promises (Kotler, 2000).

Satisfaction, according to Singh (2006), is affected by many factors which include friendly employees, courteous employees, knowledgeable employees, and helpful employees, consumer buying behavior, accuracy of billing, expertise, timeliness, physical environment, competitive pricing, product quality, good value and quick service.

Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Kotler, 2003). Based on this review customer satisfaction is a function of perceived performance and expectation. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches or exceeds expectations, customer is satisfied. Different researchers defined customer satisfaction in different ways, but for this study the above definition by Kotler were taken as an operational definition and go in line with the intended study.

1.1.2. Importance of Customer Satisfaction

Customer satisfaction is defined as an "evaluation of the perceived discrepancy between prior expectations and the actual performance of the product" (Tse and Wilton, 1988, Oliver 1999). Satisfaction of customers with products and services of a company is considered as most important factor leading toward competitiveness and success (Hennig-Thurau and Klee, 1997).

Customer satisfaction is actually how customer evaluates the ongoing performance (Gustafsson, Johnson and Roos, 2005). According to Kim, Park and Jeong (2004) customer satisfaction is customer's reaction to the state of satisfaction, and customer's judgment of satisfaction level.

Customer satisfaction is very important in today's business world as according to Deng et al., (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers.

Customer satisfaction makes the customers loyal to one product or service provider. Previous researchers have found that satisfaction of the customers can help the brands to build long and profitable relationships with their customers (Eshghi, Haughton and Topi, 2007). Though it is costly to generate satisfied and loyal customers but that would prove profitable in a long run for a firm (Anderson, Fornell and Mazvancheryl, 2004). Therefore, a firm should concentrate on the improvement of service quality and

charge appropriate fair price in order to satisfy their customers which would ultimately help the firm to retain its customers (Gustafsson, Johnson and Roos, 2005).

Although several businesses have an attention in maximizing customer satisfaction, it is not as a result of customer satisfaction is that the final objective in itself. The underlying reason is that satisfied customers yield bigger profits. With more satisfied customers are more profitable and more successful. According to Hansemark and Albinsson (2004) customer satisfaction can result in a range of benefits. As an example, satisfied customers tend to be less price-sensitive, willing to buy more products, and fewer influenced by rivals.

The above literature reveals that customer satisfaction is a key in determining why customers switch to other suppliers. In line with these facts Ethiochicken PLC can retain their customer by keeping them satisfied. Further it can attract more customers from non-poultry farmers' community and competitors by providing them with a reason to buy a particular product in preference to competing company. Moreover, customer satisfaction will be the best indicator of firms' profitability because satisfied customers are less sensitive to price, fewer influences of Competitors and high levels of loyalty.

1.1.3. Product Quality

Quality of product is "the customer's perception of the overall quality or superiority of the product or service with respect to its intended purpose, relative to alternatives" (Aaker and Jacobson, 1994). A significant determinant of profitability and product's market success of companies is quality of products the superiority of the product in dimensions such as performance and "fit and finish" (Aaker and Jacobson, 1994). The performance is the primary operating characteristics of the product. For chicken and feed, these could include traits like egg production, growth rate, feed conversion rate, livability, adaptability and packaging.

According to Garvin, (1984) Product quality can also be defined as an extent to which a product succeeds to meet the needs of the customer. According to product-based approach, the quality is the root of economics and the variation in quality of product are the reflection for differentiation in quality. Product quality is one of the important tools to maintain the competitive advantage in market which is designed to

undergo the product development process to achieve the consumer satisfaction and upgrade the quality in performance (Benson et al., 1991; Flynn et al., 1994).

The study of a product quality and its extrinsic influential characteristic with reference to customer retention, the image of product itself is more essential than the physical quality of product (Shasharudin et al., 2010). Moreover, they note in their findings that a better and a good customer relationship is stronger when there is a product awareness and these both factors are critically important for shaping the customer perception. According to Zeithaml (1981), search properties include such traits like color, style, price, fit, and smell. Here, search properties those characteristics of product and service attributes which can be easily compared and observed by the customers before they make the purchase of product or services. Moreover, he finds that products have more search qualities than services, with more experience and credence qualities. Here, credence properties are those characteristics of product and service attributes that cannot be differentiated even after the product, or service, has been purchased and consumed. Similarly, experience properties are those characteristics of product and service attributes, which can only be evaluated after purchase and use of the product, or the actual consumption of the service is done (Kenyon, Sen, 2012)

Quality of products has a major influence on companies' profitability and market success. In the marketplace, quality of product has a vital role on firm's competitiveness through affecting customers' satisfaction. Quality of product may lead to customer satisfaction, which is determined by performance and expectation. Hence, the quality of a product defines as product's ability to fulfill the customer's needs and expectations. In marketing, quality of product has considered as the determinants of buying behavior and customer satisfaction. Therefore, it can be concluded that quality of product can be different from the actual quality of products (manufacturing quality) and customers' perception. While the actual quality of products is good, it's possible that the products may be perceived negatively (Chaudhuri, 2002).

1.1.4. Price fairness

According to Rust and Oliver, (1994) Price is a major determinant of consumer choice (Kotler et al., 2009). That is it's the cost incurred in making a purchase which together with perceived service quality and perceived value influence spending behavior Consumers will determine what price can be paid based

upon their discretionary spending limits. How much a customer is willing to pay depends on what they need, what they expect and their evaluation of the quality of a service at its given time and place (Heskett et al., 1997). High price products and services are believed to be high-quality products and services and their prices are normally higher than lower-quality equivalent products or services as price impacts perceived quality. If consumers have no experience in obtaining a service, they therefore make a decision based upon their expectation, image, perception of quality and price (Dodds et al., 1991).

According to Zeithaml (1988), price is what is given paid to obtain a product or service. Perceived price is one psychological element that plays an important role in customers' reactions to prices. Price can be used as a resource to increase both profits and customer satisfaction.

(Huber et al., 2001) Indicated that price is a vital factor for customers when selecting a products or services. When Customers believe that a product's price is fair, the purchase behavior tends to be repeated. In contrast, if customers feel that a certain product or services doesn't deserve its price, they will not repeat purchase behavior. The perceived "reasonableness of price" has a positive correlation to customer retention (Ranaweera and Neely, 2003).

Found that price has a positive effect on purchase intention. In addition, firms and customers compare the price of products with the price of same products that paid by other customers and evaluate the justice of price by making comparisons with other references. In the former research studies of customer commitment have not paid enough attention to price.

1.1.5. Service Quality

Service quality is defined as "the global evaluation or attitude of overall excellence of services" (Parasuraman et al. 1985). Service quality is the difference between customer perceptions of how well the service meets customer expectations. As Nitecki and Hernon (2000), define service quality in terms of "meeting or exceeding customer expectations". Unlike products quality, the quality of services cannot be measured objectively rather it is more a subjective term. Similar services with similar quality are perceived differently because it is totally dependent on personal perception of the service encounter. In order to understand well the quality of services, their determinants should be identified which could determine what the quality of service is for a customer (Parasuraman et al. 1985).

Parasuraman et al. (1985) defined service quality as a comparison between expectation and outcome (performance) along the quality dimensions. This has appeared to be in line with Roest and Pieters' (1997) explanation that service quality is a relativistic and cognitive inconsistency between experience-based standards and performances regarding service benefits.

For the purpose of analysis, the definition of service quality by Parasuraman et al. (1985) will be taken as operational definition of service quality. And also, the services quality in this study will be measured by means of service quality dimensions.

1.1.5.1.   Service Quality and Customer Satisfaction

Service quality and customer satisfaction has been investigated, and results have shown that the two constructs are indeed independent, but are closely related, implying that an increase in one is possible to lead to an increase in the other (Sureshchandar et al., 2003).

According to Zeithaml and Bitner (2006), satisfaction and service quality are fundamentally different in terms of their underlying causes and outcomes. Although they have certain things in common, satisfaction is generally viewed as a broader concept, whereas service quality assessment focuses specifically on dimensions of service. Service quality is a component of customer satisfaction.

Sureshchandar et al, (2003) identified that strong relationships exist between service quality and customer satisfaction while emphasizing that these two are conceptually distinct constructs from the customers' point of view.

Gustafson et al. (2005) brought customer satisfaction definition as customer's overall evaluation of the date. This satisfaction has positive influences on retaining customers among different

Variety of services and products. In service-based enterprises; service quality directly affects customer satisfaction.

From the above facts one can understand that service quality and customer satisfaction have positive relationship. This means if the service quality of the Ethiochicken PLC improved, the levels of their customers' satisfaction become increase and vice versa.

1.1.5.2. Dimensions of Service Quality

Service quality literature frequently tries to classify the factors that impact attitudes towards the service at numerous different levels. At the maximum level this engages some service quality dimensions. These can be disaggregated into a better set of service quality factors or determinants, which are subsequently established into questions for evaluating throughout a structured questionnaire. In the original model of the SERVQUAL items, 10 determinants of service quality were illustrated. These are access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibles, and understanding the customer

(Accounts Commission, 1999). However, following extensive study these 10 were advanced to five; subsequent to further investigation demonstrated that some were very strongly connected.

The five major dimensions that customers apply to evaluate service quality contain (Parasuraman et al., 1988), reliability, responsiveness, assurance, empathy, and tangibles as revealed below;

Reliability*:* Ibanez et al. (2006) found that a significant relationship between reliability of services on the satisfaction level of customers. The literature reveals an increased degree of positive relationship between service quality, customer satisfaction and performance. Technology expansion has had a great impact on the choice of service delivery standard and services marketing strategies. This has yielded many prospective competitive advantages including augmenting of productivity and enhanced revenue creation from new services (Muyeed, 2012).

Responsiveness*:* Fitzsimmons and Fitzsimmons (2001) argue that when the customer is kept waiting for no apparent reason creates unnecessary negative perceptions of quality. Conversely, the ability for the bank to recover quickly when service fails, and exhibit professionalism will also create very positive perceptions of quality. The readiness to provide timely service by the service provider includes paying attention to the customer and dealing with the customer's complaints and problems in a timely manner. Responsiveness is being flexible with the customer and trying to accommodate the customer's demands and performing the service without delay. This leads to customer satisfaction.

Assurance*: assurance has been identified as significant dimension of service quality by (Parasuraman et al.,1988). They propose that all of these dimensions significantly enhance customer satisfaction. It is believed that if the employees of financial institutions display trustworthy behavior, the satisfaction level of customers can be enhanced significantly. It may also positively influence repurchase intension of customers (Ndubisi, 2006; and Ndubisi & Wah, 2005).

Empathy: Wieseke et al. (2012) empirically investigated the role of empathy in service quality and its impact on customer satisfaction. It was established that customers treated emphatically are more often visitors and prone forgive any mistakes that may occur. Empathy creates an emotional relationship with customer, providing customer a touch of importance for business. This leads to retention and creation of new customer's pool. Karatepe (2011) explored the service environment impact with empathy and reliability on loyalty. Empathy works as a moderator between quality and customer satisfaction. Empathy can change the behavior of customer ultimately.

Tangibles*: represents the physical facilities, equipment, staff, and communication equipment. The provision of the physical environment is tangible indication of the concern and attentions to detail that are displayed by the service provider. This evaluation dimension also can expand to the manner of other customers in the service (Zeithaml et al., 1990)

2.1.6 Developing Stronger Relationship with Customers

Over the past decades, marketing literature has recognized the existence of a shift in the nature of customer-firm relationships from a transactional to a relational approach (Ganesan, 1994). This change has generated an increasing interest in the study of the factors and mechanisms determining the establishment, development and maintenance of successful relational exchanges. As a consequence, practices that have been common up to now, which focused on attracting new customers and gaining a large market share, have given way to policies aimed at consolidating the firm's customer base and retaining the existing customers (Dick and Basu,1994).

As has been mentioned, the customer's relationship with an organization or brand is as important, if not more important, than product or price advantages. Research suggests that it costs five times more to attract a new customer than it does to keep an old one. Consider for a moment the cost of Marketing, sales,

commissions, accountancy, administration, credit and bad debt collection for a new customer, and contrast this with the non-recurring costs for repeat customers (Roberts, 2001).

Due to the competitive environment in today's business, the most important issue the sellers face is no longer to provide excellent, good quality products or services, but also to keep loyal customers who will contribute long-term profit to organizations (Tseng, 2007). Furthermore, caused by fierce competition in today's business, many companies are required to build long-term profitable relationship with customers and to achieve customer loyalty.

Any meaningful relationship between a customer and a business enterprise begins with the expectation of mutual benefits. Through such a relationship the customers expect to realize the cost savings, improve the efficiency of their decision making, reduce their risk by dealing trust worthy companies, service and products, Acquire a solution that is tailored for their particular needs and budgets, and realize the social and other value-added benefits such as simplifying their choice process (Shajahan, 2004).

2.2 Review of Empirical Literature

Many researchers have operationalized customer satisfaction by using a single term scale and many others have used multiple item scales. Service quality and customer satisfaction has been investigated, and results have shown that the two constructs are indeed independent, but are closely related, implying that an increase in one is likely to lead to an increase in the other (Sureshchandar et al., 2003).

Mukhtar*et al*, (2014) documented on customer satisfaction towards financial services of banks in Bahawalpur, Pakistan. The study used correlation analysis to check the intensity of relation of customer satisfaction with dimensions of service quality. These dimensions included reliability, assurance, responsiveness, empathy and tangibility. The study found that service quality is positively correlated with customers' satisfaction. The most important variable that affects customer satisfaction is tangibility, which is followed by assurance. Regression equation derived from regression analysis shows that only assurance and tangibility has significant correlation with customer satisfaction, but reliability, empathy and responsiveness has no importance relationship with customer satisfaction.

According to Chaudhuri, A. (2002) Quality of products has a major influence on companies 'profitability and market success. In the marketplace, quality of product has a vital role on firm's competitiveness through affecting customers' satisfaction.

Studies has shown that customer's decision to accept particular price has a direct bearing at satisfaction level (Martin-Consuegra, Molina and Esteban, 2007). It was concluded that customer satisfaction is directly influenced by price perceptions.

2.3 Conceptual Framework

The conceptual framework of factors affecting customer satisfaction is established based on the literature review. The conceptual framework was developed by principal investigator after a thoroughly reviewing the literature related to the subject under study. The arrows indicate the proximity of the independent variables to the dependent variable. The dependent variable is customer satisfaction and the independent variables are product quality, service quality and price.
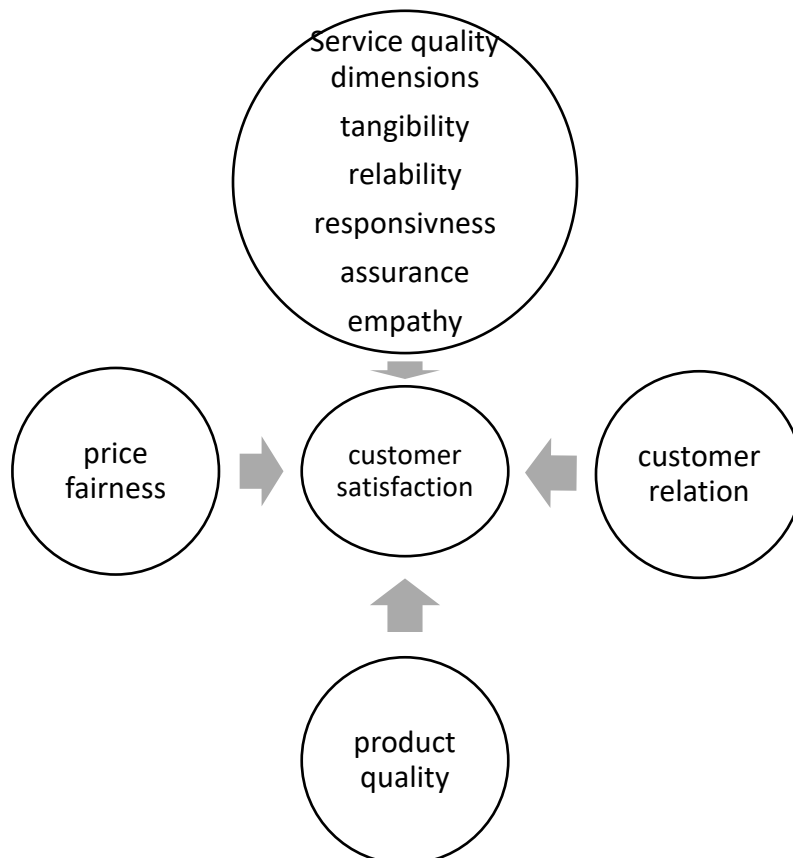
Figure 2. 1: Conceptual framework Adapted from Churchill, G. & Surprenant, C. (1982).

CHAPTER THREE
RESEARCH METHODOLOGY

3.1.   Introduction

This chapter describe about the Research Approach and Design by which the study is going to utilize, what type of Data and its Source will briefly stated in line with target population and Sample size determination of the study. And also, the Collection Methods and tools through which data have collected is the part of this section. Finally the chapter shows the methodology that the researcher has used to analyze the collected data and model specification.

3.2.   The study Area

Ethiochicken owned by American Investors; is a company currently producing more than 20 million day old chicken and more than 600,000 quintals of Chicken feed per year. The company has over 1000 permanent employees and more than 5000 customers all over Ethiopia. It has been established in 2010 and now operating in Amhara, Tigray, South and Oromia making it the largest day old chicken and chicken feed producer in Ethiopia. The company has total of 5plants and three are located in SNNP regional state, one in Amhrara regional state and one in Tigray regional state. The company's aspiration is to reach every rural house hold with one chicken in 2020 and one chicken to every individual in the rural areas by 2025. This is a great vision and requires best product and service quality to satisfy customers and make them loyal. The company is providing service and product to its customers   in the four main regional states of the country (Amhara, Tigray, Oromia and SNNP) which are supervised under the four regional office. The study area Adama, Bishoftu, Mojo and Addis Ababa is purposely selected based on the number of active and big account customers found and where highly competitive companies located. The company is supplying its product in about 80% of the weredas all over Ethiopia but the study will deal only with four sales areas in Adama, Mojo, Bishoftu and Addis Ababa which are easily accessible and feasible to cover with the limited time.

3.3. Research design

A research design is a plan or framework that provides the basic direction for carrying out the research (Churchill, 2001). This research is designed to obtain a more conclusive result. The research combined both quantitative and qualitative approaches. The main objective of this research is investigating the factors influencing customer satisfaction. So, the study used casual and descriptive research method. Causal research will be used to draw valid conclusions about the main factors influencing customer satisfaction since the explanatory category is also known as causal research (Zikmund, 2000).

3.4. Data Sources and type

In order to gather relevant data, the research has used multiple sources. The primary data source was collected by questionnaire administration to the customers of the company in the selected four areas and semi-structured interview with the national marketing and sales director of the company. This would help to understand the factors influencing customer satisfaction in relation to service and product quality, customer relationship and price fairness. Secondary data was also used from company documents, books and related literature.

3.5. Target Population and Sample

3.5.1. Target population

The target population of this study is customers of Ethiochicken PLC who are business customers buying chicken, feed, and service in Addis Ababa, Mojo, Bishoftu and Adama. First, purposive sampling is used to select the areas where the active and customers who buy big amount of chicken and feed are located and where high competitive companies are based. The data was be taken from company report of marketing and sales department, 2018. In the purposively selected areas where active customers are working in sample population are taken randomly from each of the four areas in a proportional way. The proportional is calculated by adding total number of active customers in the selected four areas and dividing area by the total. The detail is shown as in table 3.1.

3.5.2. Sample Size

Basically, the size of the sample reflects the degree of being representative of the entire population from which it is drawn and how confidently researchers can make a generalization of the research findings (Zikmund, 2000). Theoretically, sample size can be determined either by using a statistical formula or

judgmental method. Judgmental methods of determining sample size include previous similar studies, researchers' experience, affordable sample size based on budget, and time allocation. Thus, the sample size of this study was determined by using Yemane Taro's (1967) formula for finite population at 95% level of confidence. That is $\mathbf{n = N/1+N*e^2}$. Where, n is sample size, N is finite population size and 'e' is level of error accepted. The sample size given the population 354 were 188 as presented here below.

$$n=354/ (1+354*(0.05)^2) = 188$$

Table 3. 1: **Sample Selection**

No	Customer working area	Number of customers in the area	Area proportion from the total customers (354)	Number to be included in the sample i.e., out of the 188
1	Addis Ababa	110	32%	60
2	Adama	108	30%	57
3	Bishoftu	111	31%	58
4	Modjo	25	7%	13
		354	100%	188

3.6. Sample Design

The sample for this study was taken from the company customer master list data   the target population is 354 customers located in Mojo, Adama, Addis Ababa and Bishoftu. The study area is selected on the basis of the area that has active and big account customers. To investigate these influencing factors, the study considered individual customers in the four area as a unit and the source list (sampling frame) is the list of customers as obtained from the data base marketing and sales department of the company.

3.7. Sampling Technique

There are two types of sampling techniques: probability and non-probability sampling *(Saunders, Lewis and Thornhill, 2003)*. In probability sampling, selection is based on a true random procedure, while in non-probability sampling the selection is not based on a random procedure. The technique that was

employed in this study is the non-probability purposive sampling technique. Since the number of customers in each area varies, the study used stratified random sampling technique in order to obtain a representative sample of the population. Each area was taken as a stratum as you can take a look from table 1.3. The sample from each area was obtained proportional to the number of customers each areas has. The proportion was obtained by dividing the number of customers in each area to the total population. Then the number included in the sample was obtained by multiplying the proportion of respective areas with the sample size.

3.8.   Data Collection Method and Measurement

For the study, both questionnaires and interviews were used to collect data. Primary data was collected through closed and in depth structured interview. The questionnaires was deployed to the respondents. Interviews was used to collect relevant information from the marketing and sales director of the company. The close ended questions was included a five point likert scale (1=strongly disagree, 2=disagree, 3=not so bad, 4=agree, 5=strongly agree) to collect the data from respondents. The questionnaire was pretested by taking 20 customers of the company before the actual data collection starts. Also the wording, meaning, and translation was reviewed by relevant experts and their feedback was included to the final questionnaire as input.

3.8.1 Response Rate

A sample of 188 customers was selected for the purpose of the study. In this study, 188 questionnaires were distributed and 173 questionnaires were returned-a response rate of 92%. This response rate was good enough to analyze the data.

Table 3.2: **Rate of response by respondents**

Questionnaire		
Distributed	**Returned**	**Percentage**
188	173	92 %

3.9. Data Analysis and Presentation

After collecting all the necessary data, the data collected was properly edited and coded. The data was enter into excel data sheet and then to stata 12 software. Then both descriptive and inferential statistics was employed. Descriptive statistics like Demographic data was described by tables .The descriptive statistics (Mean values, percentage, frequency and standard deviations) was used to analyze the general trends of the data from respondents. The correlation and regression result of the software was carefully analyzed. The hypotheses in this study has tested the eight factors influencing customer satisfaction as independent variables to determine if there is an impact on customer satisfaction. Multiple liner regression analysis was used to test the influencing factors of customer satisfaction.

➢ Specification of Model

For further analysis, the study used the following multiple linear regression equation to identify the determinants of customer satisfaction.

$$cs = \beta_0 + \beta_1 rel + \beta_2 res + \beta_3 ass + \beta_4 emp + \beta_5 tan + \beta6pdq + \beta7\,prf + \beta8\,cr + \mu$$

Where:

cs= customer satisfaction

rel= reliability

res=responsiveness

ass=Assurance

emp=empathy

tan=tangibility

pdq= product quality

prf= price fairness

cr= Customer Relation

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1.   Introduction

This chapter reveals the analysis of the data gathered, presentation and interpretation of the findings. Under this chapter, demographic profile of respondents, descriptive statistics in relation to the identified factors (mean, frequency, percentage and standard deviation score), and correlation analysis are deployed. Further, regression analysis used to identify the most explanatory variable. Model specification tests are presented.

4.2.   Respondent's Demography

Table 4.1 *Demographic summary*

Sex of Respondents		
Sex	Number	%
Male	110	64%
Female	63	36%
Total	173	100%
Age group of Respondents		
Age Group	Frequency	Percentage
<20	2	1%
21-30	82	47%
31-40	74	43%
>40	15	9%
Educational Level respondent		
Educational Level	Frequency	%
Secondary School and Below	66	38%
Diploma	32	18%
Bachelor Degree	59	34%

Masters or Higher	16	9%
Total	173	100%
Time period of customers working with Ethiochicken		
Time Period the customers have been working with Ethiochicken	Frequency	Percentage
< 1 year	55	32%
1-2 year	75	43%
3-4 year	24	14%
>4 year	19	11%
Total	173	100%

As can be seen from the above table 4.2 the sex distribution of respondents consists of 36 % were female and 64% were male in total. This implies that, compared to males, number of female respondents were less.

In case of the age as it is indicated in the above table majority of the respondents belong to 21-30 years with 47% followed by 31-40 years with 43%. But age group less than 20 years were 1% and above 40 years 9%. This implies that Ethiochicken customers in the four selected towns were young working in the poultry business.

Regarding Educational level 38% have educational level of secondary school and below, 34% Bachelor Degree, 18% Diploma and 9 % have masters and above. This implies peoples with different educational level are working in poultry business but most of the customers in the four selected towns have secondary school and bachelor degree educational level.

As we can see from the above 55 (32%) customers have buying products from Ethiochicken for less than 1 year, 75(43%) for 1-2 years, 24(14%) for 3-4 years and 19 (11%) for more than 4 years. This implies most of the customers had low to medium experience of working with Ethiochicken but we had very experienced customers 25% worked for 3-4 years and more than 4 years.

4.4 Measure of reliability and validity

The concept of validity the answers question that to what extent measuring instrument gauges the desired option. Data accuracy cannot be reliable without knowledge of the validity of measuring instruments. The validity of the questionnaire has been pretested by taking 20 Customers by convenience sampling and experts reviewed the wording, clarity and the language appropriateness. In this stage, the necessary corrections about the research was made and therefore, it ensured that questionnaire measure the desired option. The feedback was included, and the final questionnaire distributed to 188 sample respondents.

In case of this study multicolinearity test done through identifying the variance inflation factor (VIF) and based on the result found, since the mean of VIF of variables is 2.37 (see appendix) which is much lower than the threshold of 10 and also the VIF for each variable very low. Accordingly, there is no multicolinearity problem in this study.

Reliability is one of technical features of measuring instruments. This shows that measuring instruments to what extent obtains the identical results in the same situation. It is used to calculate the internal coordinating of measuring instrument that measure different feature

In order to determine reliability of the questionnaire, the study used Cronbach alpha coefficient method. Cronbach alpha coefficient was calculated based on STATA 12 software which was equal to 0.862 for the whole questionnaire. Given that alpha coefficient higher than 0.70 is acceptable in social science researches (Tavakol and Dennick, 2011), thus reliability of the questionnaire is evaluated to be good.

***Table 4. 2*: Cronbach alpha test for questionnaire items.**

alpha tan rel res ass emp cr prf pdq

Test scale = mean (unstandardized items)

Variable	Item	Cronbach alpha
Tangibility	4	0.9067
Reliability	5	0.8147
Responsiveness	5	0.933
Assurance	4	0.8384
Empathy	4	0.8345
Customer Relation	5	0.8483
Price Fairness	5	0.8096
Product Quality	7	0.9123
Overall	39	0.8621875

4.5 Descriptive Analysis of the variables

4.5.1 Tangibility

Service quality Tangibility dimension contains four items modern vaccination equipment, day old chicken delivery cars cleanness, sales people dressing code and feed packaging attractiveness. Accordingly responses of Ethiochicken customers to service tangibility are analyzed in below table.

Table 4.3 Analysis of tangibility items

Tangibility Items	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Ethiochicken uses modern technology and vaccination equipment in their vaccination service.	1	1%	17	10%	52	30%	83	48%	20	12%	3.60116	3.5295
Ethiochicken day old chicks delivery cars are modern, clean and visually appealing.	2	1%	28	16%	61	35%	62	36%	19	11%	3.39535	
Ethiochicken sales managers are well dressed and neat in appearance.	11	6%	10	6%	46	27%	67	39%	39	23%	3.65318	
Feed packaging is branded, labeled and attractive.	5	3%	23	13%	54	31%	68	39%	23	13%	3.46821	

As table 4.3 indicates, respondents' response for company sales managers are well dressed scored the highest mean which is (3.65) this implies Ethiochicken sales people are well dressed.

The overall mean response in terms of Ethiochicken use modern vaccination equipment (3.60) implying that Ethiochicken uses modern equipment.

The mean for feed packaging attractiveness is (3.47) this implies Ethiochicken has a difficulty on packaging the feed with attractive and well labeled sack. So the company should solve this problem by working with the packaging and branding company which can help to improve the packaging. The mean response of respondents in terms of delivery car cleanness and attractiveness is (3.39)

indicating that the Ethiochicken has a problem in using clean and modern cars for day old chicken delivery

Thus, Ethiochicken s is required to minimize this problem by using clean and modern cars for delivery.

4.5.2 Reliability

The second service quality dimension which is analyzed below is reliability, which contains five items that indicate customer responses on Ethiochicken provide its technical service on time, the company readiness on solving customers' issues and reliable transaction system. Taking this, respondents' response in regard to those questions is presented below.

Table 4.4 Analysis of reliability items

Reliability Items	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Ethiochicken provides its technical services at the time it promises to do so.	11	6%	32	18%	58	34%	49	28%	22	13%	3.42674	3.5961
When customers have a problem, the Ethiochicken shows sincere interest in solving it.	8	5%	16	9%	44	25%	73	42%	32	18%	3.70694	
Ethiochicken delivers feed and day old chicks at the time it promises.	7	4%	43	25%	61	35%	53	31%	9	5%	3.48092	
Ethiochicken has secure payment and money transaction system.	9	5%	15	9%	39	23%	68	39%	41	24%	3.7052	
Ethiochicken is consistent in supplying best quality feed and day old chicks	11	6%	16	9%	46	27%	65	38%	35	20%	3.66069	

Source: primary data (2019)

As indicated in the above table the mean for the company have sincere interest in solving customer problem is (3.7) and mean for the company has secure transaction system is the same (3.7). This indicates the company has good practice of solving customer issue and it has reliable transaction system. But the company should work to improve the customer problem solving practice further to satisfy all customers. The mean response for supplying the best quality product consistently and providing technical support on time are

(3.48) & (3.43) respectively. This shows the company has diffiliculities on providing the service and product on the proper time consistently. Ethiochicken should work to offer service and supply product on time.

4.5.3 Responsiveness

The third service quality dimension analyzed is responsiveness that contains five items. The below table indicates the customers response on informing the exact time of service, providing prompt service, employee willingness to help the customer and employees responsiveness or reachability to customer.

Table 4.5 Analysis of Responsiveness items

Responsiveness Items	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
The employee of Ethiochicken tell you exactly when services will be performed (such us day old chicken delivery and vaccination)	4	2%	37	21%	71	41%	50	29%	11	6%	3.15607	
Ethiochicken employees give you prompt service.	2	1%	23	13%	48	28%	68	39%	32	18%	3.60694	
Ethiochicken employees are always willing to help you.	4	2%	11	6%	49	28%	68	39%	41	24%	3.75723	3.4948
Ethiochicken employees are approachable and easy to contact.	12	7%	19	11%	58	34%	62	36%	22	13%	3.36416	
Ethiochicken employees always pick their phone when you call.	7	4%	38	22%	44	25%	48	28%	34	20%	3.5896	

The analysis above in table 4.9 shows the respondents give the highest mean score (3.75) to Ethiochicken employees are always willing to help customer. This indicate Ethiochicken employee are always happy to support the company customers. The second highs mean given to the company employees give the customer prompt service (3.6) and this shows the employees give fast service to customers. The mean for employees always pick answer their phone was (3.59) this indicate Ethiochicken employees are good on answering the phone but they need to improve further to improve it and satisfy all the customers.

The mean of responses of respondents in terms of informing customers exactly when the service going to be delivered and employees are approachable are (3.16) & (3.36) respectively.

This implies Ethiochicken has a problem of telling customers exactly when the service were been performed. The employees were not approachable and easy to contact when the customer need them. so as to reduce this problem Ethiochicken train its employees on how to communicate with customers and how to be more organized to have a schedule for all customers service time.

4.5.4 Assurance

Service quality dimension assurance has four items which are analyzed below in table 4.9 the items are behavior of employees, transaction safety, employee sincerity in solving customer complaints and employee technical knowledge.

Table 4.6 Analysis of Assurance items

Assurance	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
The behavior of Ethiochicken employees instil confidence in customers.	7	4%	14	8%	48	28%	68	39%	36	21%	3.6474	3.5867
I feel safe in all my transaction and payments to Ethiochicken.	5	3%	16	9%	46	27%	64	37%	42	24%	3.7052	
Ethiochicken employees Sincerity and patience in	11	6%	20	12%	24	14%	89	51%	29	17%	3.60694	

43

resolving customers' complaints/ problem is good.											
Employees in the Ethiochicken have enough technical knowledge to answer your question and issues.	12	7%	18	10 %	55	32 %	67	39 %	21	12 %	3.3872 8

The mean response in terms of employees' behavior in instilling confidence in customer is (3.65). This implies that the behavior of employees in creating trust in customers is promising. Even though, the employees should enhance their behavior to implant trust customers and thereby develop confidence in Ethiochicken and become more secure with its services.

The mean response of respondents in terms of customers feeling safety in transaction with Ethiochicken is (3.7). This indicates that Ethiochicken has developed confidence in its customers to feel safe in their transaction when they make purchases. But the company should take in to account customers who feel unsafe in transaction with the Ethiochicken.

The mean response of respondents in terms of sincerity and patience of employees when resolving customer's complaints is (3.6). This indicates Ethiochicken employees are receiving and resolving customer complaints patiently. But the employees should work more to serve the customer with patience and sincerity that will help to build rapport with customers.

The mean response for employees have enough knowledge to answer customers technical question is (3.39).this implies the employees have technical knowledge gap to solve the customer issue so the company should work to solve this technical gap.

4.5.5 Empathy

Service quality dimension which is analyzed below is empathy, which contains four items that indicate customer responses on customer complaint handling procedure, individual attention to customers and employees attitude towards customers. Accordingly responses of Ethiochicken customers to service empathy are analyzed in below table.

Table 4.7 Analysis of Empathy items

Empathy	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Ethiochicken Areas sales manager complaint handling procedure is attractive.	12	7%	22	13%	56	32%	52	30%	31	18%	3.39306	3.6069
The employees of Ethiochicken give customer individual attention.	12	7%	11	6%	30	17%	82	47%	38	22%	3.71098	
Ethiochicken Employees attitude towards the customer is good.	8	5%	19	11%	35	20%	73	42%	38	22%	3.65896	
Ethiochicken employees have the best interests of the customer at heart.	5	3%	12	7%	48	28%	79	46%	29	17%	3.66474	

The mean response in terms of customers individual attention is (3.71) implying that the sales people are giving good individual customer handling which is good to increase the customer trust in the company but the individual treatment should go further to satisfy all the customers.

The mean response in terms of employee's attitude towards customers and employees keep best interest of the customer is (3.65) & (3.66) respectively this indicates employees have good attitude towards the customer and they keep the best interest of the customer.

The mean response for sales people complaint handling procedure is (3.39).which indicates there is a problem on how the sales people handle the customer complaint. The company should review the procedure of customer complaint handling and make correction by discussing with the front employees.

4.4.6 Developing strong customer relation

Developing customer relation has five items which mainly focus on motivation of customers to buy from Ethiochicken, creating stable relation with customer, providing technical advice and recommendation to friend to work with Ethiochicken. The items are analyzed as below.

Table 4.8 Analysis of customer relation items

Developing strong customer relationship Items	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Ethiochicken motivate me to buy more day old chickens and feed	1	1%	13	8%	76	44%	78	45%	5	3%	3.42197	
Ethiochicken creates stable relationship with me.	18	10%	18	10%	39	23%	82	47%	16	9%	3.34682	
Ethiochicken offers high level of technical advice to me.	5	3%	15	9%	32	18%	89	51%	32	18%	3.73988	3.6127
I will continue dealing with Ethiochicken for long time.	3	2%	8	5%	37	21%	84	49%	41	24%	3.87861	
I will recommend my friends to buy day old chicks and feed from Ethiochicken.	8	5%	9	5%	40	23%	90	52%	26	15%	3.6763	

The mean response in terms of Ethiochicken motivate customers to buy its product is (3.42). Implying the company has weak activity in motivating customers to buy the products. So the company should work more on activating the current customers through marketing and promotion activity.

The mean response in terms of creating stable relationship with customers is (3.35) which indicates Ethiochicken has weakness in creating and maintaining stable relationship with customers. So the company should work to improve it over all rapport with customers through preparing customer days and conferences to update customers on the company new progresses.

The mean response for Ethiochicken offers high level of technical advice to customers is (3.73). This implies Ethiochicken is supporting its customers technically. The mean response for I will continue working with Ethiochicken is (3.88). This implies customers of Ethiochicken are ready to work with Ethiochicken but the company should work more to have satisfied and loyal customers.

4.5.7 Price fairness

Price fairness contains five items which are product price fairness, price information, customers feeling about the profit they are making and price of Ethiochicken products in comparison with other companies. The analysis on the five price fairness items is presented in below table 4.13.

Table 4.9 Analysis of price fairness items

price fairness Items	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
I feel the price of day old chicken and chicken feed is fair.	34	20%	53	31%	66	38%	19	11%	1	1%	2.42197	
Price information is clear, complete and understandable.	8	5%	15	9%	23	13%	102	59%	25	14%	3.69942	
I am happy with the profit I make.	12	7%	23	13%	56	32%	71	41%	11	6%	3.2659	
Ethiochicken properly informs about the price of product and service.	11	6%	15	9%	34	20%	86	50%	27	16%	3.59538	3.1145
I feel the product and service price of Ethiochicken is fair compared to other competitors	20	12%	53	31%	81	47%	16	9%	3	2%	2.5896	

The mean response of respondents in terms of I fell the price of day old chicken and feed is fair (2.42). This implies customers are not happy on the price of Ethiochicken product fairness. The mean response of respondents in terms product and service price compared to other competitors is (2.59). This indicates Ethiochicken has the higher price than other suppliers. So the company should work to have competitive price and the company should consider competitors price on its pricing strategy.

The mean response of respondent price information is clear, complete and understandable is (3.69). The mean response of respondents in terms of Ethiochicken informs properly about price of product and service is (3.59). This indicates Ethiochicken gives clear information on the price detail. But Ethiochicken should work more to give clear information when fixing new price so the customer will develop trust on the company.

4.5.8 Product quality

The below table shows a response on the product quality and basically it focuses on the quality of day old chicken and chicken feed. This has seven items which are chicken vaccination, chicken growth rate, breed quality, feed quality, packaging and production of chickens.

Table 4.10 Analysis of product quality items

Product Quality	Strongly disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Grand Mean
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Ethiochicken day old chicks are well vaccinated	5	3%	43	25%	72	42%	43	25%	10	6%	3.0578	
Ethiochicken day old chicks grow fast	10	6%	6	3%	26	15%	102	59%	29	17%	3.77457	
Ethiochicken supply best breed chicken	8	5%	7	4%	16	9%	114	66%	28	16%	3.84971	
Ethiochicken supply good quality feed	4	2%	15	9%	36	21%	95	55%	23	13%	3.68208	3.554
Ethiochicken feed is well packed and labeled.	13	8%	33	19%	58	34%	49	28%	20	12%	3.17341	
Ethiochicken feed make your chickens grow fast and healthy	10	6%	13	8%	26	15%	109	63%	15	9%	3.61272	
Ethiochicken feed makes your chickens lay more eggs	10	6%	12	7%	25	14%	93	54%	33	19%	3.7341	

The mean response for Ethiochicken day old chicks are well vaccinated (3.05).this indicates there is mortality of day old chicks when they arrive to the customer farms. So Ethiochicken should see its vaccination procedure to deliver healthy day old chicks. The mean response for Ethiochicken feed is well

packed and labeled is (3.17). This indicates there is problem in feed packaging and labelling. Ethiochicken should work with best package suppliers to avoid the error in packaging.

The mean response of respondent items of Ethiochicken day old chicks grow fast and it supplies best breed of chicken are (3.77) & (3.85) respectively this indicates customers are happy on the day old chick quality and breed.

The mean response for feed quality items of Ethiochicken feed make your chicken grow fast, it make lay more eggs and the feed quality is good are (3.61), (3.73) & (3.68) respectively. This indicates Ethiochicken is feed quality is good and it has good acceptance by the customers. Even though, customers are happy on the feed the company should work more to satisfy more and keep its quality.

Table 4. 11. Summary of the descriptive statics of the study variables

In the above tables respondents' response to the eight variables that influence customer satisfaction were presented and analyzed in the form of frequency, percentage and mean scores. The below table presents the summarized mean score of the eight variable with standard deviation and its general interpretations.

Variables	Mean	Std. Deviation
Tangibility	3.53	0.552637
Reliability	3.59	0.541763
Responsiveness	3.49	0.696692
Assurance	3.58	0.669251
Empathy	3.60	0.598067
Customer relation	3.61	0.563275
Price fairness	3.11	0.521257
Product quality	3.55	0.599566

The standard deviations for the eight factor are smaller than 1 (see table 4.15 above). This indicates that the respondents were rather unanimous in their responses in regards to the eight variables. Lower standard deviation indicate that responses were not polarized, where most of the response is close to mean. Looking

at the mean alone tells only part of the story. The distribution of responses is important to consider and the standard deviation provides a valuable descriptive measure of this.

Generally, from table 4.15 above we can infer that customer perception to the eight customer satisfaction factors is more closely similar. That is to say customer perception in the company towards the variables is closer or almost similar to each other. There is no outlier in the perception of the customers to all factors.

Table 4.11 Describes that customer relation scored the highest mean from the eight variables is customer relation with mean score of (3.61), followed by empathy, Assurance, reliability, product quality, tangibility, reliability, responsiveness and price fairness with mean score of (3.60),(3.59) (3.58), (3.55), (3.53),(3.49) and (3.11) respectively.

This shows that most customers of Ethiochicken in the study area agreed that Ethiochicken has created strong relationship with them through its sales people who are helping the customers technically. The customer insight department which collect feedback from customer has good contribution on developing customer relation.

As it is indicated in the above table 4.15 the second highest mean score was for Empathy with mean score of (3.60). This indicates Ethiochicken employees are giving individual attention to customers to resolve customer complaints having good attitude towards customers.

Mean score of respondents for reliability is (3.59) this indicates customers perceive the company is reliable on the quality of service, quality of product and transaction system. Ethiochicken should work more on the service quality and product quality to get more trust from customers and being reliable.

As it is indicated in the above assurance had scored mean of (3.58) this shows customers in study area have good have trust on the Ethiochicken transaction system and the have trust on employees of the company.

The mean score for product quality is (3.55) this indicates the customers have good perception on the product quality but the company should work on improving the quality of its product to satisfy the unsatisfied customers.

50

The mean score for the tangibility is (3.53) this indicates the customers are happy with the equipment and delivery cars that deliver day old chicks. The company should work more on improving dressing code of sales people and cleanness of delivery cars to satisfy the unsatisfied customers.

The mean score for responsiveness is (3.49) which indicates Ethiochicken is having difficulties in being responsive to customers. The company should work with its employees to improve its communication system with customers and train the front employees to develop their communication. That will help the customers to solve their problems and fell they are heard by the company.

The mean score for price fairness is (3.11) which indicates customers perceive Ethiochicken price is expensive. This shows the company is not giving focus to price fairness to make it fair with the market. So the company should review its pricing strategy and always fix market competitive price.

4.6 Correlation analysis: relationships between the variables

Correlation analysis shows relationships among variables and indicates the strength of relation between the variables. Correlation coefficients values between -1 and 1 and represent the following values: -1 = negatively correlated, 0 = uncorrelated and 1 = positively correlated. The correlation coefficient defines the trend of the relationship and on the other side the absolute value shows the strength of the correlation. Moreover, a correlation coefficient is a very useful tool to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field, 2005).

A correlation matrix was constructed using the variables in the questionnaire to show the strength of relationship among the variables considered in the questionnaire. According to (Shelash Al-Hawary, et al 2013), correlation matrix is defined as ``a set of correlation coefficients between a number of variables. As shown in table 4.16 below, the correlation matrix indicates that product quality, customer relation, price fairness, responsiveness, reliability, tangibility, empathy and assurance were positively correlated with customer satisfaction.

Table 4.12: **Shows the correlation results of the independent variables with that of dependent variable i.e. customer satisfaction**

```
. corr ocs tan rel res ass emp cr prf pdq
(obs=173)

             |   ocs    tan    rel    res    ass    emp     cr    prf    pdq
-------------+---------------------------------------------------------------------
     ocs |   1.0000
     tan |   0.4038  1.0000
     rel |   0.5842  0.6738  1.0000
     res |   0.5027  0.4392  0.4451  1.0000
     ass |   0.5539  0.5053  0.6646  0.5107  1.0000
     emp |   0.6118  0.4851  0.6342  0.6196  0.6913  1.0000
      cr |   0.5960  0.3788  0.5155  0.5176  0.6423  0.7754  1.0000
     prf |   0.4139  0.1621  0.2639  0.0884  0.2898  0.3333  0.2703  1.0000
     pdq |   0.6445  0.4312  0.5948  0.5591  0.5443  0.6359  0.5983  0.1837  1.0000
--------------------------------------------------------------------------------------------------
-------
```

There was positive relationship between product quality and customer satisfaction ($r = 0.6445$, $n = 173$). The positively correlation were also for customer relation and customer satisfaction ($r = 0.5960$, $n = 173$), and reliability and customer satisfaction ($r = 0.5842$, $n = 173$). The positive correlation were also identified between customer satisfaction and service quality responsiveness($r = 0.5027$, $n=173$,). There was positive relation between price fairness and customer satisfaction with correlation ($r=0.4139$, $n=173$). There was positive relation between customer satisfaction and empathy, assurance and tangibility with($r=0.61$, 0.55, 0.40) respectively.

The correlation result in table 4.15 above indicate that the all of the variables has positive relationship with customer satisfaction This implies that, taking the positive relationship of product quality , customer relation, reliability, responsiveness, tangibility, empathy, assurance and price fairness with customer satisfaction. Ethiochicken should give due attention for the above variables in its customer service and customer handling strategy, the organization can stay in market with satisfied customers. This can enable the company to win its market competitors.

4.7 Regression analysis

It is advisable that before directly going for analyzing data, the basic tests for correctness of the model applied should be done. Taking this idea, the researcher tested the model by conducting the basic tests for normality test, heteroscedasticity test, omitted variable test and multicollinearity test and accordingly confirmed that the correctness of the model. The mean VIF of this model was 2.37 and the individual VIF of the variable range from 1.17 to 3.79 reflecting that it is safe from multicollinearity (see Appendix).

Hetroscedasticity refers to the variance of the error terms in a regression model in an independent variable. If heteroscedasticity is present in the data, the variance differs across the values of the explanatory variables and violates the assumption. The probability value of the chi-square was Prob > chi2 = 0.1135 which was greater than 0.05 (see Appendix) the assumption test confirmed there was no hetroscedacity problem in the model. Using Ramsey reset, test the researcher also conducted omitted variable test using powers of the fitted values of satisfaction which result shows the model have no omitted variables.(See Appendix). Normality of residuals is required for valid hypothesis testing that is the normality assumption assures that the P-vales for the t-test and F-test will be valid (Rencher, 2002). To test the normality of the residuals, Kernel density estimate.

The model used for the regression analysis is $cs = \beta_\circ + \beta_1 rel + \beta_2 res + \beta_3 ass + \beta_4 emp + \beta_5 tan + \beta6pdq + \beta7\ prf + \beta8\ cr + \mu$. The proposed model was adequate as the F-statistics (p-value = 0.000) was significant at the 5 percent level (p <0.05). This indicated that overall model was statistically significant relationship between independent variables and customer satisfaction. From Table (4.17), it can be observed that the coefficient of determination (R^2) was 0.5840, representing that 58.4% of customer satisfaction can be explained by the eight independent factors. Thus, there is effect of service quality, price fairness, customer relation and product quality has on customer satisfaction (see table 4.17 below).

Table 4.13: **Regression Summary of independents variables on customer satisfaction.**

Regress ocs tan rel res ass emp cr prf pdq

```
    Source |    SS      df     MS            Number of obs =    173
------------+------------------------------    F(  8,  164) =   28.78
     Model | 33.0146219    8 4.12682774       Prob > F     = 0.0000
  Residual | 23.5165259  164 .143393451       R-squared    = 0.5840
------------+------------------------------    Adj R-squared = 0.5637
     Total | 56.5311479  172 .328669464       Root MSE     = .37867
```

```
-------------------------------------------------------------------------------
      ocs |    Coef.  Std. Err.    t   P>|t|   [95% Conf. Interval]
----------+--------------------------------------------------------------------
      tan | -.0364977  .0661713  -0.55  0.582  -.1671553  .0941599
      rel |  .188091   .0793811   2.37  0.019   .0313503  .3448318
      res |  .1121319  .0541382   2.07  0.040   .0052341  .2190297
      ass |  .0191789  .058673    0.33  0.744  -.0966729  .1350308
      emp | -.0192552  .0746795  -0.26  0.797  -.1667124  .1282021
       cr |  .1502899  .0683807   2.20  0.029   .0152699  .28531
      prf |  .2541746  .0557128   4.56  0.000   .1441677  .3641814
      pdq |  .2457607  .0583718   4.21  0.000   .1305035  .361018
    _cons |  .1567933  .2180479   0.72  0.473  -.2737498  .5873364
-------------------------------------------------------------------------------
```

4.7.1 Price fairness

Price fairness have significant impact on customer satisfaction having a coefficient of 0.25. This indicates price has significant and positive impact on customer satisfaction. This indicates that one percent change in price keeping the other things constant can result a change on customer satisfaction rate 25 % in the same direction.

It is reasonable to expect that the perception about the price fairness improves the satisfaction with the service and product. Several studies also confirmed the significant effect of perceived price fairness on customer satisfaction (Consuegra, et al., 2007).

Huber et al., (2001) Indicated that price is a vital factor for customers when selecting a products or services. When Customers believe that a product's price is fair, the purchase behavior tends to be repeated. In contrast, if customers feel that a certain product or services doesn't deserve its price, they will not repeat purchase behavior. The perceived "reasonableness of price" has a positive correlation to customer retention (Ranaweera and Neely, 2003)

4.7.2 Product quality

Product quality has significant impact on customer satisfaction having coefficient of 0.24. This indicates that one percent change in product quality keeping the other things constant can result a change on customer satisfaction rate 24% in the same direction. This shows product quality has significant impact on customer satisfaction. This support the research finding of (Gustafsson, et al, 2005) Customer satisfaction is actually how a customer evaluates the product performance. A deeper understanding regarding the product quality is very important for every marketer.

According to Gustafsson, et al., (2005); (Ahuja, Gupta & Raman, 2003) who found that companies that focus on the improvement of product quality would certainly satisfy their customers and would ultimately help the company retain its customers.

4.7.2   Customer relation

Customer relation has significant effect on customer satisfaction having a coefficient of 0.15. This indicates that one percent change in customer relation keeping the other things constant can result a change on customer satisfaction rate 15% in the same direction. This finding is in line with previous researchers have found that satisfaction of the customers can help the brands to build long and profitable relationships with their customers (Eshghi, Haughton and Topi, 2007).

4.7.3   Service quality reliability

Service quality reliability/y has significant effect on customer satisfaction having a coefficient of 0.19.This indicates that one percent change in Service quality reliability keeping the other things constant can result a change on customer satisfaction rate 19% in the same direction. This finding is in line with (Ibanez et al., 2006). Who has found a significant relationship between reliability of services on the satisfaction level of customers.

The studies of many researchers suggest service quality leads to customer satisfaction. To achieve a high level of customer satisfaction, they suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Mesay, 2012).

Zeithaml et al. (2006) mentioned that Service quality reliability is critical as customers want to deal with a company that keep its promises with as all its customers and generally simply show that company has good communication with them

4.7.4   Service quality responsiveness

It has significant effect on customer satisfaction having a coefficient of 0.11. This indicates that one percent change in Service quality responsiveness keeping the other things constant can result a change on customer satisfaction rate 11% in the same direction. This finding is against Mukhtar et al, (2014) who put on their regression analysis only assurance and tangibility has significant correlation with customer satisfaction, but reliability, empathy and responsiveness has no importance relationship with customer satisfaction

Fitzsimmons and Fitzsimmons (2001) argue that when the customer is kept waiting for no apparent reason creates unnecessary negative perceptions of quality. The readiness to provide timely service by the service provider includes paying attention to the customer and dealing with the customer's complaints and problems in a timely manner. Responsiveness is being flexible with the customer and trying to accommodate the customer's demands and performing the service without delay. This leads to customer satisfaction

4.8 Analysis of the research Hypothesis

An alternative but complementary approach to the confidence-interval method of testing statistical hypotheses is the test-of-significance approach. Broadly speaking, a test of significance is a procedure by which sample results are used to verify the truth or falsity of a null hypothesis. The key idea behind tests of significance is that of a test statistic and the sampling distribution of such a statistic under the null hypothesis. The decision to accept or reject H0 is made on the basis of the value of the test statistic obtained from the data at hand (Gujarati, 2004).

Table 4.14: **Level of significance of the research hypothesis**

Hypo thesis	Independent variable	Significance (p<0.05)	Result
H1	Reliability does have significant impact on customer satisfaction.	0.582	Rejected
H2	Tangibility does have significant impact on customer satisfaction	0.019	Accepted
H3	Responsiveness does have significant impact on customer satisfaction	0.040	Accepted
H4	Assurance does have significant impact on customer satisfaction	0.744	Rejected
H5	Empathy does have significant impact On customer satisfaction	0.797	Rejected
H6	Product quality does have significant impact on customer satisfaction	0.029	Accepted
H7	Price fairness does have significant impact on customer satisfaction.	0.000	Accepted
H8	Customer relation does have significant impact on customer satisfaction	0.000	Accepted

Regression analysis indicated that, product quality, price fairness, customer relation, reliability and responsiveness had significant effect or impact customer satisfaction at (p<0.05; see table above). The hypothesis test showed that, reliability has significant impact on customer satisfaction (p<0.05; ß =0.1880), **H1** was accepted by this study.

The hypothesis test showed that, tangibility had no significant impact on customer satisfaction (P>0.05; ß =-0.0364), **H2** was rejected by this study.

Responsiveness had significant impact on customer satisfaction (p<0.05; ß = 0.1121). Hence the hypothesis **H3** was accepted by the study.

Assurance had no significant impact on customer satisfaction (p>0.05; ß = 0.0191). Hence the hypothesis **H4** was rejected by the study.

Empathy had no significant impact on customer satisfaction (p>0.05; ß = -0.0192). Hence the hypothesis **H5** was rejected by the study.

The hypothesis test showed that, product quality has significant impact on customer satisfaction (p<0.05; ß =0.2457), **H6** was accepted by this study.

The other result is price fairness had significant impact on customer satisfaction (p<0.05; ß = 0.2541). Hence the hypothesis **H7** was accepted by the study.

Customer relation had significant impact customer satisfaction (p<0.05; ß =0.1502). Hence the hypothesis **H8** accepted by the study.

Based on the values, price fairness has the highest influence on customer satisfaction followed by product quality, reliability, customer relation and responsiveness respectively. On the other hand service quality tangibility, empathy and Assurance were insignificant.

So it is possible to conclude that, the fair the price in Ethiochicken. The higher customer satisfaction and retention can result.

The higher product quality, the higher Ethiochicken customers become satisfied and buy more products continuously.

The good customer relation and customer handling, the higher consumers' preference to work with Ethiochicken and become satisfied.

The higher Ethiochicken become more responsive and reliable to customers, the higher Ethiochicken customers become satisfied and work with the company for long time.

4.9 Interview Analysis

Analysis on customer satisfaction practice of Ethiochicken PLC (questions are attached in the appendix)

Gives high value for customer relationship management and accordingly the organization above all focuses on its customers who are the source of the majority of the company business revenue and Ethiochicken beliefs that working on customer relationship management is the best option for improving business in uncertain times. The company have on going marketing activity with its customers and the company follows customer information and have modern data base accordingly

Ethiochicken has pricing strategy according to the production cost and profit margin of the company. Ethiochicken is the biggest producer of day old chicken and chicken feed in Ethiopia this gives the company upper hand on fixing price. According to my interview with the marketing and sales director of the company Ethiochicken PLC discuses with stake holder on price adjustment and get feedback from customers through the customer insight which collect customer feedback on service quality, product quality, technical support and price.

Ethiochicken PLC has product quality assurance department which works on quality assurance with the day-old chicks and feed to make sure the standard quality is meet. As the company owners are Americans the company have strong network with best international quality poultry input suppliers and technical consultants who give technical support and auditing the production process. Ethiochicken PLC collects customer feedback from customers on product quality after product is delivered through customer insight department.

Ethiochicken has chicken delivery team, feed delivery team, sales team and technical experts who have been working mainly providing service to the customer. These service departments works hard for delivering consistent and quality service. The company employee works in a culture of initiative professionalism, engagement and involvement. The company collect customer feedback on service quality like chicken delivery, feed delivery and technical support from the respective area sales managers through customer insight.

Currently the sources of competitive advantage for Ethiochicken PLC are actual product performance, perception of product, technical support to the customer as they are dealing with chicken, fair cost operations as the company production capacity is high this makes the unit cost

minimal, , alliances and relationships with the international poultry companies and foreign stake holders ,superior skills, flexibility and attitude.

CHAPTER FIVE

SUMMARY of FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Summary of Findings

The general objective of this study was to identify the main factors influencing customer satisfaction in Ethiochicken PLC.

One of the main objective was to Identify on how do customers perceive the service and product quality provided by Ethiochicken P.L.C. In addressing this objective customers of Ethiochicken PLC working in Adama, Addis Ababa, Modjo and Bishoftu were involved in providing information.

Ethiochicken PLC has product quality assurance department which works on quality assurance with the day-old chicks and feed to make sure the standard quality is meet. Ethiochicken collects customer feedback from customers on product quality after product is delivered through customer insight department.

Ethiochicken PLC discuses with stake holder on price adjustment and get feedback from customers through the customer insight which collect customer feedback on service quality, product quality, and technical support.

The study correlation analysis indicated that the all of the variables has positive relationship with customer satisfaction this implies that, taking the positive relationship of product quality, customer relation, reliability, responsiveness, tangibility, empathy, assurance and price fairness with customer satisfaction the company has to consider the above variable on its business operation and customer handling system to increase its customer satisfaction.

The Regression analysis of study showed that customer relation, product quality, price fairness, responsiveness and reliability had significant relationship with customer satisfaction, and this factors significantly affect customer satisfaction.

5.2. Conclusion

The finding of this study lead to a notable conclusions and managerial implications. First the results of the model indicated that price fairness, product quality, service quality reliability, customer relation and service quality responsiveness significantly affect customer satisfaction. This suggests that the company can use them as a tool to increase customer satisfaction and increase market share. Generally, the model tested in this study has been significant showing that the company has been working to increase customer satisfaction with customer service and product quality. Therefore, the most important factors that affect the customer satisfaction are price fairness, product quality, service quality reliability, customer relation and service quality responsiveness. Hence, the company shall strengthen its efforts by focusing on them to satisfy its customers and increase the market share.

From this study majority of customers were satisfied with the customer relation, product quality, reliability, empathy, assurance and tangibility. But the maximum mean scale were not more than 3.61 this shows we have significant number of unsatisfied customer on the above stated variables. Ethiochicken should work more on enhancing its service and product quality to have more satisfied customers.

The study descriptive mean analysis showed majority of customers are not happy on the responsiveness of the company employees. So this shows the company employees are not responsive to customers' requests and customer complaints. The study revealed Ethiochicken customers are not happy with the price of products. Customers perceive Ethiochicken price is expensive than other competitors.

From the regression result customer relation has significant effect on customer satisfaction. From the mean of respondents customer relation had the higher mean from other variable which indicated Ethiochicken is working good to create stable relationship with customers. So we can conclude that customer relation had significant effect on customer satisfaction.

From the liner regression result the most important factors that affect the customer satisfaction are price fairness, product quality, service quality reliability, customer relation and service quality responsiveness. Which are discussed in detail here below:

Price fairness

In this finding price has positive and statically significant relationship customer satisfaction. The result from the study showed price fairness has a significant influence on customer satisfaction. The marketing and sales director of the company believed that price on the products should be fair to make the customers satisfied and keep the market share. According to (Lommeruda and Sorgard, 2003) the price fairness itself and the way it is fixed and offered have a great impact on satisfaction.

Real price competitiveness is an essential determinant of customer value, thus price satisfaction increases the value of customer perception and there is a direct relationship between price and value. Price has significant effect on customers' buying behavior, value perception and customer satisfaction. Ralston, (2003).

The implication to the company is that price fairness is positively related and significant means it is very important to the customer satisfaction, customer retention and growing market share which give insurance to the future success of the company.

Product quality

In this finding product quality has positive and statically significant relationship with customer satisfaction. The study showed product quality has significant influence customer satisfaction. Since Ethiochicken PLC is producing day old chicks and poultry feed product quality is determining factor on customer satisfaction which influence their profitability and success.

Aaker, D. & Jacobson, R. (1994) has summarized Quality of product is the customer's perception of the overall quality or superiority of the product with respect to its intended purpose, relative to alternatives. A significant determinant of profitability and product's market success of companies is quality of products.

The marketing and sales director of the company believes Ethiochicken PLC is working more on the product quality with the help of international poultry input suppliers and technical experts to make sure the quality of the product is in line with industry standard.

Service quality reliability

The finding indicated that service quality reliability has a significant impact on customer satisfaction. According to Parasuraman et al. (1988) defined reliability as the ability of a firm to deliver the promised service dependably and accurately. Zeithaml et al. (2006) mentioned that this service quality is critical as customers want to deal with a company that keep its promises with as all its customers and generally simply show that company has good communication with the customers.

Ethiochicken marketing and sales director believes the company is doing well on meeting customer needs of service quality through the service departments and teams.

Customer Relation

The regression result customer relation has significant impact on customer satisfaction. Relationship quality refers to a customer's perceptions of how well the relationship fulfills the expectations, predictions, goals, and desires of the customer Jarvelin & Lehtinen (1996). Hence, quality of relationship conveys the customer's impression of the whole relationship. High quality of relationship indicates that the customer depends on the service provider's future performance because the level of past performance has been consistently satisfactory Wong & Sohal (2002). Understanding how companies can profit from customer relationship is important for academics and marketing managers Hennig et al. (2002). The close relationship between customers and service providers, also the manner of performed service often is more important than what is actually delivered.

According to Wong & Sohal (2002). Satisfaction refers to the degree to which interactions between the customer and the service provider meet the customer's expectations; it can be based on evaluations of attributes such as service delivery and product quality. Commitment in emotions

of customers is important for company, because company can influence interactions of customer for future purchase.

Service quality responsiveness

This study has showed service quality responsiveness has positive and significant relation with customer satisfaction this implies responsiveness has significant impact on customer satisfaction.

According to Parasuraman et al. (1988), responsiveness is the employee's express willingness to help customers and provide quick service. This dimension is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. When it communicates to its customers, a firm needs to know how to be responsive and how long it would take to get answers and solve problems. If companies want to be successful, they need to look at the view point of the customer rather than the company's perspective.

Marketing and sales director believe company employee works in a culture of initiative professionalism, engagement and involvement. The company collect customer feedback on service quality through customer insight team to see how the customer is being treated and how the customer needs are full filled.

The study correlation analysis indicated that the all of the variables has positive relationship with customer satisfaction this implies that, taking the positive relationship of product quality, customer relation, reliability, responsiveness, tangibility, empathy, assurance and price fairness with customer satisfaction the company has to consider the above variable on its business operation and customer handling system to increase its customer satisfaction.

The study has showed customers perceive Ethiochicken price is expensive and it is expensive than competitors. This indicates the company is not considering the market situation and the other competitors' price. The study has revealed customers are dissatisfied on the price fairness.

5.3. Recommendation

As presented in the finding of the study price fairness, product quality, service quality reliability, customer relation and service quality responsiveness significantly affect customer satisfaction. So, Ethiochicken should works strongly to improve these aspects to keep its current customers satisfied and attract new customers.

Based on the finding of the study, the following recommendations are made

Price fairness

Customers are always price concerned, Real price competitiveness is an essential determinant of customer value, thus price satisfaction increases the value of customer perception and there is a direct relationship between price and value. Price has significant effect on customers' buying behavior, value perception and customer satisfaction. The respondents were not happy on price fairness of the company and they perceive the company has expensive price than the competitors. AS presented in the finding price dominantly affect customer satisfaction of Ethiochicken customers working in Addis Ababa, Bishoftu, Modjo and Adama. Accordingly, Etiochicken PLC considering the effect of price fairness on customer satisfaction the company should.

- ❖ Set fair price to retain the current customers and bring new customers.
- ❖ Ethiochicken PLC should always set market competitive price for its products.
- ❖ When the company set new price it should see the price of competitors before doing the price adjustment. Considering only cost of production and profit margin does not help the company to set the fair price according to the current market status.
- ❖ When the company adjust new price the customers should be informed on time and the price detail should be clearly presented.

Product Quality

❖ As the study showed, product quality had significantly influence customer satisfaction. Accordingly the company should work on assuring product quality to keep the customer trust on the company.

❖ Ethiochicken is producing and selling day old chicken which is livestock and this need technical support to the customers to make sure the quality of day old chicken keep maintained from production site to the customer farms.

❖ Since the assuring the quality of chickens does not end in the production site the company should train the customers to make sure they are keeping healthy and productive stock.

❖ To distribute quality day old chicken it needs complicated poultry value chain which starts from importing the quality breed parent stock, grow them well, production of eggs and hatching of day old chicks to proper distribution of day old chicks. The company should make sure every part in the value chain is done properly to make sure the customers are getting quality chicks.

❖ Ethiochicken is distributing chicken feed to the customers which is essentially needed for growing quality chickens. So the feed should be well formulated and quality so the customers can be productive from their stock.

❖ The company should have reliable input suppliers so the product quality can be consistent.

Service quality reliability

❖ As the finding indicates**,** Service quality reliability affect customer satisfaction for customer of Ethiochicken PLC working in Adama, Addis Ababa, Bishoftu, and Modjo. Accordingly, Ethiochicken needs to work strongly in delivering quality & reliable service to its customers.

❖ Ethiochicken PLC should provide its service at the time promised to make the customer trust the company is reliable.

❖ The company should always work toward the service quality as it critical for customer retention, customer satisfaction and creates positive word of mouth, which is an important for purchase decision.

Customer relation

❖ As the study indicated the effect of customer relation had significant effect on customer satisfaction of Ethiochicken PLC Customers working in Adama, Bishoftu, Addis Ababa and Modjo. Accordingly the company should on developing strong customer relation.

❖ The company should work on customer relation by making sure the customers are happy with the product and service quality.

❖ Ethiochicken should work on customer relation and loyalty program by preparing farmers day.

❖ The company should keep and develop the customer insight department which is the ear and eye of the company to develop the customer relation.

Service quality Responsiveness

❖ The study has shown service quality responsiveness has positive and significant effect on Customer relation and the respondents were not happy on the responsiveness of the company as we found it in the mean response.

❖ Ethiochicken should develop service quality responsiveness questioner to assess how the employees are responsive to customer requests and needs.

❖ The company should develop and strengthen the customer insight team to collect customer feedback so the company can give quicker response to customer requests.

❖ The company should give training to customer on how they should request for the service they need. This help the customer to know where to get the service they need and where to report if the service is not accomplished.

REFERENCES

➢ Aaker, D. A., & Jacobson, R. (1994). The financial information content of perceived quality. *Journal of Marketing Research*, 31(2), pp. 191-201.

➢ Accounts Commission for Scotland (1999) can't get No Satisfaction: Using a gap approach to measure service, p.32.

➢ Adrian, P. (1995). Relationship marketing for competitive advantage: winning and keeping customers. London: Butterworth-Heinemann Ltd.

➢ Ahmad, T, & Vays, N (2011) „The Impulse Buying Behavior of Consumes For The FMCG Products In Jodhpur", Australian Journal of Basic and Applied Sciences, 5 (11): 1704-1710.

➢ Ahuja, M, Gupta, B & Raman, P (2003), „An Empirical Investigation of Online Consumer Purchasing Behavior', Communication of the ACM, 46 (12).

➢ Alexander & Hill (2003). Measuring Customer Satisfaction and Loyalty. New Delhi: Maya publishes pvt.Ltd.

➢ Bansal, S. & Gupta, G., (2001), Building Customer Loyalty Business-to-Business Commerce. In J. N. Sheth, A. Parvatiyar & G. Shainesh, eds., Customer Relationship Management. New Delhi, Tata McGraw-Hill, 2001, pp. 3-25.

➢ Bazan, S (1998) Customer service & satisfaction: competitive advantage and beyond. *New England journal of entrepreneurship*, 1 (1), p. 23-29.

➢ Benson, P.G., Seraph, J.V., & Schroeder, R.G. (1991), "The effect of organizational context on quality management: an empirical investigation", *Journal of management Sciences*, Vol. 34, No.2, pp. 1107-24.

➢ Bowen, JT. & Chen, SL. (2001), 'The Relationship between Customer Loyalty and Customer Satisfaction,' *International Journal of Hospitality Management*, 13(5), 213-217.

➢ Chaudhuri, A. (2002). How brand reputation affects the advertising brand equity link? *Journal of Advertising Research*, 42(3), pp. 33-43.

➢ Chauhan, V &Limbad, S (2013) „Measuring Customer Satisfaction of Mc Donald‟s Fast Food Resturant‟, *International Journal of Management*, IT and Engineering, Volume 3, No.8

➢ Churchill, G. A., Jr., & Surprenant, C. (1982). An investigation into the determinants of customer satisfaction. *Journal of Marketing Research*, 19, 491–504.

➢ Communities Scotland (2006) how to gather views on service quality. Scottish Executive, p. 148. Kotler, P and Armstrong, A (1996), Principles of Marketing. Prentice-Hall: New Jersey.

➢ Dawkins, P.M. and Reichheld, F.F. (1990), "Customer retention as a competitive weapon", Directors and Board, Vol. 14, No.2, pp. 42-47.

➢ Deng, Z, Lu, Y, Wei, KK & Zhang, J (2009) „Understanding customer satisfaction and loyalty: An empirical study of mobile instant messages in China‟, *International Journal of Information Management*, Vol. 30, PP 289–300.

➢ Dodds, W.B,Monroe, K.B. and Grewal,D. "Effects of price, brand and store information on buyers' product evaluation", *Journal of Marketing Research*, Vol. 28, 1991, pp. 307-19.

➢ Eshghi, A, Haughton, D &Topi, H, 2007, „Determinants of customer loyalty in the wireless telecommunications industry', Telecommunications policy, Volume 31, Issue 2, PP 93-106.

➢ Fitzsimmons, J. A. & Fitzsimmons, M. J. (2001), Service Management: operations, strategy, and information technology, McGraw Hill Inc., New York.

➢ Garvin, D.A. (1984), "What does product quality really mean?" Sloan Management Review, pp. 25-43.

➢ Gronroos, C. (1996), 'Relationship Marketing: Strategic and Tactical Implications,' Management Decision, 32, (2), 4-20.

➢ Gronroos,C.(2000), Service Management and Marketing: A Customer Relationship Management Approach, 2nd ed .

➢ Gujarati, D.N (2004). Basic Econometrics .McGraw-Hills companies, 4th ed.

➢ Gustafsson, A, Johnson, MD & Roos, I (2005), „The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention‟, *Journal of Marketing*, Vol. 69, PP. 210–218.

➢ Gustavsson, S and Lundgren, E (2005) Internationalization of SMEs: the challenge of selecting foreign market entry modes. Lulea university of Sweden.

➢ Hansemark, O and Albinsson, M (2004) Customer satisfaction and retention: the experiences of Individual employees. Managing Service Quality, 14 (1), pp. 40-57.

➢ Hennig-Thurau, T., and Klee, A. (1997), "The Impact of Customer Satisfaction and Relationship Quality on Customer Retention: A Critical Reassessment and Model Development, "Psychology & Marketing", Vol. 14, Issue 8, PP 737–764

➢ Hennig-Thurau, T., Gwinner, K. P., & Gremler, D. D. (2002). Understanding relationship marketing outcomes: An integration of relational benefits and relationship quality. *Journal of Service Research*, 4(3), 230-247.

➢ Heskett, J.L, Sasser, E.W & Schlesinger, L.A (1997). "The Service Profit Chain: How Leading Companies Link Profit and Growth to Loyalty, Satisfaction and Value", the Free Press (New York, NY.

➢ Hoyer, W. D. &MacInnis, D. J., (2001) Consumer Behavior. 2nd ed., Boston, Houghton Mifflin Company.

➢ Huber, F., Herrmann, A., &Wricke, M. (2001). Customer satisfaction as an antecedent of price acceptance: results of an empirical study. Journal of Product & Brand Management, 10 (3), 160- 169.

➢ Ibanez, V. A., Hartmann, P., &Calvo, P. Z. (2006). Antecedents of customer loyalty in residential energy markets: Service quality, satisfaction, trust and switching costs. *The Service Industries Journal*, *26*(6), 633-650.

➢ Jarvelin, A., & Lehtinen, U. (1996). Relationship quality in business-to-business service context. Lethbridge, Canada: Warwick Printing.

➢ Jobber, D. (2001) Principles and Practices of Marketing. New York: McGrew Hill

➢ Karatepe, O. M. (2011). Service quality, customer satisfaction and loyalty: the moderating role of gender. *Journal of Business Economics and Management, 12*(2), 278- 300.

➢ Kenyon, G. and Sen, K. (2012),"A model for assessing consumer perceptions of quality", International Journal of Quality and Service Sciences, Vol. 4 No. 2, pp. 175 – 188.

➢ Kim, M.K., Park, M.C., and Jeong, D.H. (2004) "The effects of customer satisfaction and

➢ Kohli, A and Jaworski, B (1990) Market orientation: the construct, research propositions, and Managerial implications. *Journal of Marketing*, Vol. 54, April, pp. 20-35.

➢ Kotler, P, Keller, K (2009) Marketing Management 13th edition', Published by Spearman Education Inc., upper saddle River New Jersey, 07458.

➤ Kotler, P., (2002). Marketing Management Millennium Edition: Custom Edition for University of   Phoenix. 10th ed. USA: Pearson Custom Publishing.

➤ Labarbera, P. A. & Mazursky, D., (1983), a Longitudinal Assessment of Consumer Satisfaction,   Dissatisfaction: the Dynamic Aspect of Cognitive Process, Journal of Marketing Research, Vol. 20, November, pp. 393-404.

➤ Consuegra, A. Molina, & A. Esteban, (2007) "An integrated model of price, satisfaction and loyalty: An empirical analysis in the service sector," *Journal of Product and Brand Management*, vol.16, no. 7, pp. 459-468.

➤ Mesay S, (2012). Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Banking   Sector. Retrieved from http://www.apexjournal.org/JBAMSR.

➤ Mukhtar A, Inam H, Ashiq H, Amjad R, and Nasar H (2014). Customer Satisfaction towards   Financial Services of Banks: An Empirical Case Study from Bahawalpur, Pakistan. *Journal of Marketing and Management*. 2 (1): 94-111.

➤ Muyeed, M. A. (2012). Customer Perception on Service Quality in Retail Banking in Developing   Countries-A Case Study. *International Journal of Marketing Studies*, *4*(1), 116-122.

➤ Ndubisi, N. O., & Wah, C. K. (2005). Factorial and discriminant analyses of the underpinnings of   relationship marketing and customer satisfaction. *International Journal of Bank Marketing*, *23*(7), 542-557.

➤ Nitecki, D.A. & Hernon, P. (2000), Measuring service quality in Yale University's libraries, Journal of   academic librarianship, Vol. 26, No. 4, pp. 259-273.

➤ Oh, H. (2000). The effect of brand class, brand awareness, and price on customer value and behavioral intentions. *Journal of Hospitality & Tourism Research*, 24(2), 136-162.

- Oliver, R (1980) A Cognitive Model of the Antecedence and Consequences of Satisfaction Decisions. *Journal of Marketing Research* 17(September): 46-49.

- Parasuraman, A, Zeithaml, V and Berry, L (1985) A conceptual model of service quality and its implications for future research. Journal of Retailing, Vol. 49, pp. 41-50.

- Ralston, R. (2003). The effects of customer service, branding, and price on the perceived value of local   telephone service. *Journal of Business Research, Vol 56,* 201-213.

- Ranaweera, C., & Neely, A. (2003). Best student paper: Some moderating effects on the service quality-   customer retention link. International Journal of Operations &Production Management, 23(2), 230-248.

- Reichheld, F.F. and Sasser, W.E.J. (1990), "Zero defections: quality comes to services", Harvard   Business Review, Vol. 12, No. 2, pp. 105-11.

- Roberts, P. (2001). Customer Relationship Management. India: Replica Pvt. Ltd.

- Roest, H and Pieters, R (1997) The Nomological Net of Perceived Service Quality. International Journal   of Service Industry Management, 8(4), 336–351.

- Rust, R.T. and Oliver, R.L. (1994). Service quality: insights and managerial implication. PP 44-61.

- Shajahan, S. (2004). Relationship Marketing. India: Tata McGraw-Hill.

- Shasharudin, M.R., Hassan, A.A., Mansor, S.W., Elias, S.J., Harun, E.H. and Aziz, N.A.   (2010), "The relationship between extrinsic attributes of product quality with brand loyalty on Malaysia   national brand motorcycle/scooter", Canadian Social Science, Vol. 6 No. 3, pp. 165-75.

- Singh, H 2006, „The Importance of Customer Satisfaction in relation to customer loyalty and retention,   May 2006, Kuala Lumpur, Malaysia.

➤ Sureshchanndra, G, Rajendran, C and Anantharaman, R (2003) the relationship between service Quality and customer satisfaction: a factor specific approach. Journal of Service switching barrier on customer loyalty in Korean mobile telecommunication services, Information and Communications University, Yusong-gu, Hwaam-dong, Taejon 305-348, South Korea.

➤ Tavakol, M and Dennick, R. (2011). Making Sense of Cronbach's Alpha. *International Journal of Medical Education,* Vol. 2, No. 1. Pp.53-55.

➤ Wong, A., & Sohal, A. (2002). An examination of the relationship between trust, commitment and relationship quality. *International Journal of Retail & Distribution Management*, 30(1), 34-50.

➤ Yamane, Taro. (1967). Statistics: An Introductory Analysis, 2nded. New York, Harper and Row.

➤ Zeithamal A. &Bitner M. (2006), Service Marketing -Integrating Customer Focus Across the firm, 3rd ed. Tata Mac Graw-Hill. Publishing Company Limited, New Delhi.

➤ Zeithaml, V. (1988), "Consumer perceptions of price, quality and value: a means-end model and synthesis of evidence", *Journal of Marketing*, Vol. 52, No. 3, pp. 2-22.

APPENDIX

Appendix 1: Assumption Tests, Regression and correlation result

Heteroskedasticity test

hettest

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance

Variables: fitted values of ocs

chi2(1)   =   2.51

Prob > chi2 = 0.1135

Omitted variable test

. ovtest

Ramsey RESET test using powers of the fitted values of ocs

Ho: model has no omitted variables

$F(3, 161) =$ 1.52

Prob > F =   0.2105

Cronbach alpha test for questionnaire items.

alpha ocs tan rel res ass emp cr prf pdq

Test scale = mean(unstandardized items)

Average interitem covariance: .2273596

Number of items in the scale: 9

Scale reliability coefficient: 0.8997

Multicolinarity test

vif

Variable	VIF	1/VIF
emp	3.79	0.263645
rel	2.86	0.349292
cr	2.78	0.360055
ass	2.47	0.404056
pdq	2.10	0.477275
tan	1.93	0.518664
res	1.88	0.531050
prf	1.17	0.852249
Mean VIF	2.37	

Correlation

corr ocs tan rel res ass emp cr prf pdq
(obs=173)

	ocs	tan	rel	res	ass	emp	cr	prf	pdq
ocs	1.0000								
tan	0.4038	1.0000							

```
rel |  0.5842  0.6738  1.0000
res |  0.5027  0.4392  0.4451  1.0000
ass |  0.5539  0.5053  0.6646  0.5107  1.0000
emp |  0.6118  0.4851  0.6342  0.6196  0.6913  1.0000
 cr |  0.5960  0.3788  0.5155  0.5176  0.6423  0.7754  1.0000
prf |  0.4139  0.1621  0.2639  0.0884  0.2898  0.3333  0.2703  1.0000
pdq |  0.6445  0.4312  0.5948  0.5591  0.5443  0.6359  0.5983  0.1837  1.0000
```

regress ocs tan rel res ass emp cr prf pdq

```
   Source |    SS      df      MS              Number of obs =    173
-------------+------------------------------        F( 8,  164) =  28.78
    Model | 33.0146219    8 4.12682774           Prob > F     = 0.0000
  Residual | 23.5165259  164 .143393451            R-squared    = 0.5840
-------------+------------------------------        Adj R-squared = 0.5637
    Total | 56.5311479  172 .328669464           Root MSE     = .37867
```

```
-------------------------------------------------------------------------------
    ocs |    Coef.  Std. Err.    t   P>|t|   [95% Conf. Interval]
-------------+-----------------------------------------------------------------
    tan | -.0364977  .0661713   -0.55  0.582   -.1671553   .0941599
    rel |  .188091   .0793811    2.37  0.019    .0313503   .3448318
    res |  .1121319  .0541382    2.07  0.040    .0052341   .2190297
    ass |  .0191789  .058673     0.33  0.744   -.0966729   .1350308
    emp | -.0192552  .0746795   -0.26  0.797   -.1667124   .1282021
     cr |  .1502899  .0683807    2.20  0.029    .0152699   .28531
    prf |  .2541746  .0557128    4.56  0.000    .1441677   .3641814
    pdq |  .2457607  .0583718    4.21  0.000    .1305035   .361018
   _cons |  .1567933  .2180479    0.72  0.473   -.2737498   .5873364
-------------------------------------------------------------------------------
```

Normality kernel density estimate

kernel = epanechnikov, bandwidth = 0.1751
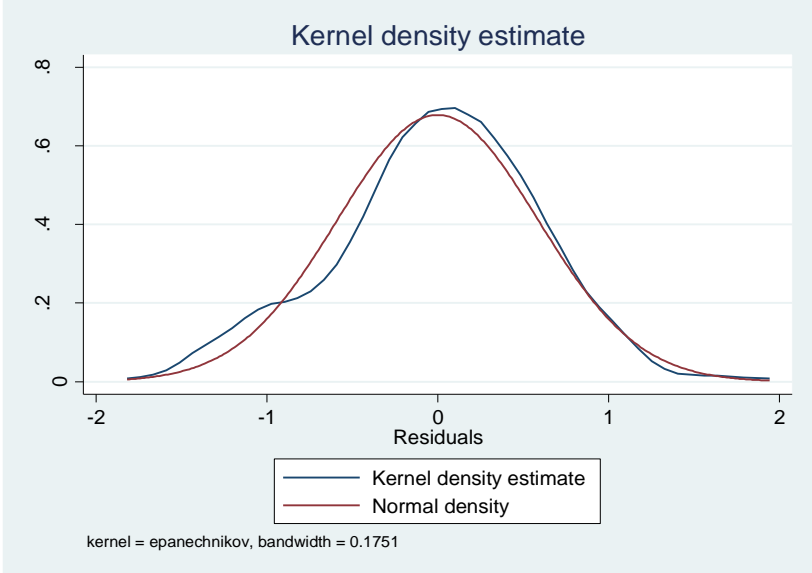
Appendix 2: QUESTIONAIRE

This study is intended to assess factors affecting customer satisfaction. The information to obtain from this study may be used by Ethiochicken P.L.C and researchers. Moreover, the main aim of this study is to write a thesis as a partial requirement for the fulfillment of Degree of Master's in business administration.

The information that you provide us will be confidential. There will be no information that will identify you and your organization. The findings of the study will be general for the study population and will not reflect anything particular of individual persons or housing. The questioner will be coded to exclude showing names; no references will be made in oral or written reports that could link participants to the research.

Therefore, as a customer of Ethiochicken P.L.C, your participation in this study will be valuable and greatly appreciated.

Contact address

If there are any questions or enquires any time about the study, please contact and speak to principal investigator, Mr. Million Berhane by phone number: 0914685317and Email: *millionbirhane@gmail.com*.

Instruction for filling the questionnaire

Please read each statement carefully and encircle your choice for the questions indicated in the

Table.

Part I: Demographic or personal information

Use(**X**) marking boxes were your response matches

	Question		**Response**	
1	Gender	1	Male	☐
		2	Female	☐
2	Age	1	Less than 20	☐
		2	21-30	☐
		3	31-40	☐
		4	More than 40	☐
3	Educational level	1	Secondary school & below	☐
		2	Diploma	☐
		3	Bachelor degree	☐
		4	Master or higher	☐
4	How long you have been customer of Ethiochicken plc.	1	<1 year	☐
		2	1-2 year	☐
		3	3-4 year	☐
		4	>4 year	☐

Part: II *Assessment the degree of satisfaction of services, price, product, and customer relation offered by Ethiochicken plc.*

The following question aims to assess the degree of satisfaction of service offered by the company. Please select the following on a scale1- 5 to reflect your feelings and the extent to which you agree with statements. The minimum you may select is1and maximum5.This means1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and5=strongly agree. Please circle or highlight your answer in bold.

A. Questions on Ethiochicken Service Quality Dimensions

	Service quality	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
NO	*Tangibility*					
1	Ethiochicken uses modern technology and vaccinating equipment in their vaccination service.	1	2	3	4	5
2	Ethiochicken day old chicks delivery cars are modern, clean and visually appealing.	1	2	3	4	5
3	Ethiochicken sales managers are well dressed and neat in appearance.	1	2	3	4	5
4	Feed packaging is branded, labeled and attractive.					
	Reliability					

5	Ethiochicken provides its technical services at the time it promises to do so.	1	2	3	4	5
6	When customers have a problem, the Ethiochicken shows sincere interest in solving it.	1	2	3	4	5
7	Ethiochicken delivers feed and day old chicks at the time it promises.	1	2	3	4	5
8	Ethiochicken has secure payment and money transaction system.	1	2	3	4	5
9	Ethiochicken is consistent in supplying best quality feed and day old chicks.	1	2	3	4	5
	Responsiveness					
10	The employee of Ethiochicken tell you exactly when services will be performed (such us day old chicken delivery and vaccination)	1	2	3	4	5
11	Ethiochicken employees give you prompt service.	1	2	3	4	5
12	Ethiochicken employees are always willing to help you.	1	2	3	4	5
13	Ethiochicken employees are approachable and easy to contact.	1	2	3	4	5
14	Ethiochicken employees always pick their phone when you call.	1	2	3	4	5
	Assurance					
15	The behavior of Ethiochicken employees instil confidence in customers.	1	2	3	4	5
16	I feel safe in all my transaction and payments to Ethiochicken.	1	2	3	4	5

No		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
17	Ethiochicken employees Sincerity and patience in resolving customers' complaints/ problem is good.	1	2	3	4	5
18	Employees in the Ethiochicken have enough technical knowledge to answer your question and issues.	1	2	3	4	5
	Empathy					
19	Ethiochicken Areas sales manager complaint handling procedure is attractive.	1	2	3	4	5
20	The employees of Ethiochicken give customer individual attention.	1	2	3	4	5
21	Ethiochicken Employees attitude towards the customer is good.	1	2	3	4	5
22	Ethiochicken employees have the best interests of the customer at heart.	1	2	3	4	5

B. Questions on Developing Stronger Relationship with Customers

No	Developing strong customer relationship	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Ethiochicken motivate me to buy more day old chickens and feed	1	2	3	4	5
2	Ethiochicken creates stable relationship with me.	1	2	3	4	5
3	Ethiochicken offers high level of technical advice to me.	1	2	3	4	5
4	I will continue dealing with Ethiochicken for long time.	1	2	3	4	5

No		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
5	I will recommend my friends to buy day old chicks and feed from Ethiochicken.	1	2	3	4	5

C. Questions on price satisfaction

NO	Competitive pricing (price satisfaction)	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I feel the price of day old chicken and chicken feed is fair.	1	2	3	4	5
2	Price information is clear, complete and understandable.	1	2	3	4	5
3	I am happy with the profit I make.	1	2	3	4	5
4	Ethiochicken properly informs about the price of product and service.	1	2	3	4	5
5	I feel the product and service price of Ethiochicken is fair compared to other competitors	1	2	3	4	5

D. Questions on product quality

NO	Product Quality	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Ethiochicken day old chicks are well vaccinated	1	2	3	4	5
2	Ethiochicken day old chicks grow fast	1	2	3	4	5
3	Ethiochicken supply best breed chicken	1	2	3	4	5
4	Ethiochicken supply good quality feed	1	2	3	4	5
5	Ethiochicken feed is well packed and labeled.	1	2	3	4	5
6	Ethiochicken feed make your chickens grow fast and healthy	1	2	3	4	5
7	Ethiochicken feed makes your chickens lay more eggs	1	2	3	4	5

E. Questions on overall customer satisfaction

NO	*Customer Satisfaction*	Strongly disagree (1)	Disagree (2)	Neutral(3)	Agree (4)	Strongly Agree (5)
1	Ethiochicken completely meets my expectations.	1	2	3	4	5
2	I am satisfied with over all Ethiochicken products and services quality offered.	1	2	3	4	5
3	the technical support from Ethiochicken is good	1	2	3	4	5
4	Ethiochicken provide me exactly what I need	1	2	3	4	5
5	There are guarantees of this company	1	2	3	4	5
6	Overall, Ethiochicken able to satisfy my wants and needs.	1	2	3	4	5

መጠይቅ

ይህ ጥናት የደምበኛ እርካታ ላይ ተፅዕኖ የሚፈጥሩ ሁኔታዎችን ለመፈተሽ የተዘጋጀ ነው፡፡ ከዚህ ጥናት የሚገኘውን መረጃ በኢትዮ ቺክን እና አጥኚዎች አገልግሎት ላይ ሊውል ይችላል፡፡ ከሁሉም በላይ የዚህ ጥናት ዋነኛ ዓላማ በቢዝነስ አስተዳደር የትምህርት ዘርፍ የድኅረ ምረቃ መርሃ ግብር በከፊል ለማሟላት የሚዘጋጀውን የመመረቂያ ጽሑፍ ለማዘጋጀት ነው፡፡

የሚሠጡን መረጃ ሙሉ ለሙሉ ምሥጢራዊነቱ የተጠበቀ ነው፡፡ እርስዎን ወይም ድርጅትዎን የሚጠቁም ምንም ዓይነት መረጃ በጥናቱ ውስጥ አይካተትም፡፡ የዚህ ጥናት ግኝት አጠቃላይ በሆነ መልኩ የሚቀመጥና ግለሰብን ወይም ቤተሰብን አይጠቅስም፡፡ ይህ መጠይቅ ስምን ለለማካተት ኮድ የሚጠቀም ሲሆን በቃልም ሆነ በጽሑፍ ዘገባዎች ላይ ተሳታፊውን ከጥናቱ ጋር የሚያይዝ ምንም ዓይነት ማጣቀሻ አገልግሎት ላይ አይውልም፡፡

ስለዚህም እንደ ኢትዮጵክን ደምበኛ በዚህ ጥናት ላይ የሚያደርጉት ተሳትፎ እጅግ ጠቀሜታ ያለው እና የሚደነቅ ነው፡፡

አድራሻ፡-

ጥናቱን በተመለከተ ማንኛውም ጥያቄ ካለዎት አቶ ሚሊዮን ብርሃኔን በስልክ ቁጥር **+251914685317** እና በኢሜይል millionbirhane@gmail.com. ማናገር ይችላሉ

የመጠይቁአሞላል

እያንዳንዱንዓረፍተነገርበሚገባበማንበብለእያንዳንዱጥያቄበሠንጠረዡውስጥከተመጡትአማራጮችመ ከአልየመረጡትንያክብቡ።

ክፍልአንድ፦ የግልመረጃዎች

የእርስዎንምላሽየሚወክለውሣጥንውስጥ(X) ምልክትያስፍሩ።

ጥያቄ		ምላሽ	
1 ፆታ	1	ወንድ	
	2	ሴት	
2 ዕድሜ	1	ከ 20 በታች	
	2	21-30	
	3	31-40	
	4	ከ 40 በላይ	
3 የትምህርት ደረጃ	1	ሁለተኛደረጃእናከዚያበታች	
	2	ዲፕሎማ	
	3	ባችለርዲግሪ	
	4	ድኅረምረቃእናከዚያበላይ	
4 የኢትዮጵክን ደምበኛ ከሆኑ ምን ያህልጊዜሆነዎት?	1	1 ዓመትናከዚያበታች	
	2	1-2 ዓመት	
	3	3-4 ዓመት	

ክፍልሁለት፦-

በኢትዮጵክን እየቀረበ ያለውን የአገልግሎት እርካታ፣ዋጋ፣ምርት እና የይዞምበኛግንኙነት ደረጃ የሚፈተ ሽበት ክፍል።

ተከታዮቹ ጥያቄዎች በድርጅቱ የሚቀርበውን አገልግሎት የአመርቂነት ደረጃ በተመለከተ ለመፈተሽ የተዘጋጁ ናቸው። የሚስማማዎትን አገላለፅ ለማሳየት ይቻል ዘንድ እባክዎ ከ1-5 ደረጃ በመምረጥ ምላሽዎን ያስቀምጡ። የሚያስቀምጡት ትንሹ ደረጃ 1 ሲሆን፣ ትልቁ ደግሞ 5 ነው። ይህም ማለት 1 =በእጅጉ አልስማማም፣ 2 =አልስማማም፣3 =ማዕከላዊ፣4 =እስማማለሁ፣5 =በእጅጉ እስማማለሁ ማለት ነው። እባክዎ የመረጡትንም ላሽበ ጉልህ ያክብቡ ወይም ያቅልሙ።

የኢትዮጵክንን የአገልግሎት ጥራት የተመለከቱ

U. ጥያቄዎች

	የአገልግሎት ጥራት	በእጅጉ አልስማማም (1)	አልስማማም (2)	ማዕከላዊ (3)	እስማማለ ሁ (4)	በእጅጉ እስማማለሁ (5)
ቁ.	**ተጨባጭነት**					
1	ኢትዮጵክን በክትባት አገልግሎቱ ላይ ዘመናዊ የሆነ ቴክኖሎጂ እና	1	2	3	4	5

	የክትባት ቁሳቁስ ይጠቀማል፡፡					
2	የኢትዮጵክን የአንድ ቀን ጨጨት የማመላለሻ መኪኖች ዘመናዊ፣ ንፁህ እና ለዕይታ የሚስቡ ናቸው፡፡	1	2	3	4	5
3	የኢትዮጵክን የአካባቢው ሸያጭ ኃላፊ ንፁህ እና አግባብነት አለባበስ የሚለብሱ ናቸው፡፡	1	2	3	4	5
4	የመኖ ከረጢቱ ጥሩ፣የድርጀቱ ሎጎ ያለበት እና ለዕይታ የሚስብ ነው፡፡	1	2	3	4	5
	ታማኝነት					

5	ኢትዮጵክን ሙያዊ አገልግሎቱን ባለው ሠዓት ያደርሳል።	1	2	3	4	5
6	ደምበኞች ችግር በሚገጥማቸው ጊዜ ኢትዮጵክን ችግሩን ለመፍታትከልብየመነጨ ፍላጎትያሳያል።	1	2	3	4	5
7	ኢትዮጵክንየአንድቀንጨጨት እናየደሮ መኖ የማድረስ ሥራውን ቃል በገባበት ሠዓት በፍጥነት ያደርሳል።	1	2	3	4	5
8	ኢትዮጵክን ደጋንነቱ የተጠበቀ እና አስተማማኝ የገንዘብ ክፍያ ሥርዓት አለው።	1	2	3	4	5
9	ኢትዮጵክን ጥራቱ የጠበቀ የአንደ ቀንጨጨት እና የደሮመኖ በቀጣይነትያቀርባል።	1	2	3	4	5
	ፈጣንምላሽ					

10	የኢትዮጲክን ሠራተኞች አገልግሎት የሚሠጥበትን ጊዜ በትክክልያሳውቅዎታል። (ለምሳሌ፦ የአንድቀን ጨጨቶችንየሚደርሱበትንእና ክትባትየሚሠጡበትንቀን ያሳውቅዎታል)	1	2	3	4	5
11	የኢትዮጲክን ሠራተኞች ፈጣን አገልግሎት ይሠጡታዋል።	1	2	3	4	5
12	የኢትዮጲክን ሠራተኞች ሁሌም እርስዎን ለመርዳት ፈቃደኞች ናቸው።	1	2	3	4	5
13	የኢትዮጲክን ሠራተኞች ተገባቢ እናተደራሽ ናቸው።	1	2	3	4	5
14	የኢትዮጲክን ሠራተኞች እርስዎ ሲደውሉሁሌምስልካቸውን ያነሳሉ።	1	2	3	4	5

	ዋስትና					
15	የኢትዮጲክን ሠራተኞች ፀባይ በደምበኞች ላይ በራስ የመተማመን ስሜት ይፈጥራሉ፡፡	1	2	3	4	5
16	ለኢትዮጲክን ክፍያ ስፈፅም እና ማንኛውንም የገንዘብ ልውውጥ ሳደርግ ደህንነት ይሰማኛል፡፡	1	2	3	4	5
17	የኢትዮጲክን ሠራተኞች በቅንነት እና በታጋሽነት የደምበኞችን ቅሬታ እና ችግር ይፈታሉ፡፡	1	2	3	4	5
18	የኢትዮጲክን ሠራተኞች ጥያቄዎቼንለመመለስ የሚያስችል በቂ የሆነ ቴክኒካዊ እውቀት አላቸው፡፡	1	2	3	4	5
	ልባዊ መረዳት	1	2	3	4	5
19	ኢትዮጲክን የሸያጭ ሠራተኞች	1	2	3	4	5

	የደንበኞችን ቅሬታ አቀባበል እና አፈታት ስርዓታቸው ጥሩ ነው።					
20	የኢትዮጵክን ሠራተኞች የደምበኛውን ፍላጎት ይረዳሉ።	1	2	3	4	5
21	የኢትዮጵክን ሠራተኞች ለደምበኞች ያላቸው እይታ ጥሩ ነው።					
22	የኢትዮጵክን ሠራተኞች ለደምበኛው ከልብ የሚነጩ ፍላጎት ያሳያሉ።	1	2	3	4	5

ለ. ከደምበኛ ጋር ጠንካራ ግንኙነት መመሥረትን በተመለከተ የቀረቡ ጥያቄዎች

ቁ.	ጠንካራ የደምበኛ ግንኙነት መመሥረት	በእጅጉ አልስማማም (1)	አልስማማም (2)	ማዕከላዊ (3)	እስማማለሁ (4)	በእጅጉ እስማማለሁ (5)
1	ኢትዮጵክን በብዛት የአንድ ቀን ጨጨቶች እና መኖ እንድገዘ ያነሳሱኛል::	1	2	3	4	5
2	ኢትዮጵክን ከእኔ ጋር ዘላቂ የሆነ ግንኙነት ፈጥራል::	1	2	3	4	5
3	ኢትዮጵክን በከፍተኛ ደረጃ ቴክኒካዊ ምክር ይሠጠኛል::	1	2	3	4	5
4	ከኢትዮጵክን ጋር በዘላቂነት መሥራቴን እቀጥላለሁ::	1	2	3	4	5

5	ለወዳጆቼ ከኢትዮጵክን የአንድቀን ጨጨቶች እናመኖ እንዲገዙ እመክራለሁ።	1	2	3	4	5

ሐ. የዋጋ እርካታን የተመለከቱ ጥያቄዎች

ቁ.	ተወዳዳሪዋጋ(የዋጋ እርካታ)	በእጅጉ አልስማማም (1)	አልስማማም (2)	ማዕከላዊ (3)	እስማማለሁ (4)	በእጅጉ እስማማለሁ (5)
1	የአንድ ቀን ጨጨት እና የመኖ ዋጋ ተመጣጣኝ ነው ብዬ አስባለሁ፡፡	1	2	3	4	5
2	የዋጋ መረጃው ግልፅ፣ የተሟላ እና ለመረዳት የማያዳግትነው፡፡	1	2	3	4	5
3	በማገኘው ትርፍ ደስተኛ ነኝ፡፡	1	2	3	4	5
4	ኢትዮጵክን የምርት እና አገልግሎት ዋጋ በተመለከተ በአግባቡ	1	2	3	4	5

	ያሳዉቃል።					
5	ከሌሎች ተወዳዳሪ ድርጅቶች ጋር ሲነፃፀር የኢትዮጵክን ምርትና አገልግሎት ዋጋ ተመጣጣኝ ነዉ።	1	2	3	4	5

መ. የምርት ጥራትን የተመለከቱ ጥያቄዎች

ቁ.	የምርት ጥራት	በእጅጉ አልስማማም (1)	አልስማማም (2)	ማዕከላዊ (3)	እስማማለሁ (4)	በእጅጉ እስማማለሁ (5)
1	የኢትዮጲክን የአንድ ቀን ጨጨቶች ተገቢውን ክትባት የወሰዱ ናቸው፡፡	1	2	3	4	5
2	የኢትዮጲክን የአንድ ቀን ጨጨቶች ቶሎ ያድጋሉ፡፡	1	2	3	4	5
3	ኢትዮጲክን ምርጥ የዶሮ ዝርያ ያቀርባል፡፡	1	2	3	4	5
4	ኢትዮጲክን ጥራት ያለው የዶሮ መኖ ያቀርባል፡፡	1	2	3	4	5
5	የኢትዮጲክን የዶሮ መኖ በጥሩ ሁኔታ የታሸገ እና	1	2	3	4	5

	ምልክት የተለጠፈበት ነው፡፡				
6	የኢትዮጲክን የዶሮ መኖ ዶሮዎችን በቶሎ እንዲያድጉ እና ጤናማ እንዲሆኑ ያደርጋል፡፡	1	2	3	4	5
7	የኢትዮጲክን የዶሮ መኖ ዶሮዎችን እንቁላል በደምብ እንዲጥሉ ያደርጋል፡፡	1	2	3	4	5

ሠ. አጠቃላይ የደምበኛ እርካታን የተመለከቱ ጥያቄዎች

ቁ.	የደምበኛ እርካታ	በእጅጉ አልስማማም (1)	አልስማማም (2)	ማዕከላዊ (3)	እስማማለሁ (4)	በእጅጉ እስማማለሁ (5)
1	ኢትዮጵክን ፍላጎቴን ሙሉ ለሙሉ ያሟላልኛል።	1	2	3	4	5
2	በኢትዮጵክን በሁሉም ምርትና የአገልግሎቶች ጥራት ደስተኛ ነኝ።	1	2	3	4	5
3	ከኢትዮጵክን የማገኘው ሙያዊ ድጋፍ ጥሩ ነው።	1	2	3	4	5
4	ኢትዮጵክን የምፈልገውን በትክክል ያቀርብልኛል።	1	2	3	4	5
5	ድርጅቱ ዋስትና የሚሰጥ	1	2	3	4	5

	ነው።።					
6	በአጠቃላይ ኢትዮጵክን ፍላጎቴን ማሟላት የሚችል ድርጅት ነው።።	1	2	3	4	5

Dear Dr. Fseha Tesfu (Marketing and sales Director of Ethiochicken P.L.C)

I would like to thank you in advance for sharing me your views on the current practice of assuring customer satisfaction in Ethiochicken. The customer satisfaction factors of interest to my research are Service quality tangibility, service quality responsiveness, service quality empathy, service quality Assurance, service quality reliability, product quality, price fairness and customer relation. Please help me by giving detailed answer to the following questions from practical perspective and long term plan of the company. Thanks.

1. In a competitive market, having good customer relationship management is important to retain customers. So, taking this can you please tell me in detail what actual practices have Ethiochicken in this case?

2. Price satisfaction increases the value of customer perception and there is a direct relationship between price and value. Price has significant effect on customers' buying behavior, value perception and customer satisfaction. So, taking this in case of Ethiochicken PLC what are the actual practices the company currently applying in fair pricing strategy to make sure the customers are satisfied?

3.Measuring Perception of overall Quality or superiority of a product relative to relevant alternatives with respect to its intended purpose have significant role in customer satisfaction, so understanding this what actual practices does Ethiochicken PLC apply in measuring perceived quality and value of its products?

4.To achieve a high level of customer satisfaction, high level of service quality should be delivered by the company as service quality is one of the main factor that affect customer satisfaction, so understanding this what actual practices does Ethiochicken PLC apply to make sure the customers are getting quality service?

5. Identifying sources of competitive advantage plays greatly role in customer satisfaction and in general, the basic sources of competitive advantage are actual product performance, perception of product, low cost operations, legal advantage, alliances and relationships, superior skills, flexibility, technical support

and attitude So, taking this can you please tell me with its detail the actual current sources of competitive advantage for Ethiochicken Company in this case?